

# **Professional Meeting Planners Start Up Guide**



**INTERNATIONAL SOCIETY OF  
MEETING PLANNERS**

**RMP-Registered Meeting Planner**

**CEP-Certified Event Planner**

**CDS-Certified Destination Planner**



The International Society of Meeting Planners is the leading association for meeting planners. We have the sources to provide our members with information that they can use in their day to day planning. In addition, we are the only association that can give the distinguished CEP-Certified Event Planner designation.

With members in 97 different countries, we provide you with the insight and professional confidence it takes to plan an international meeting, whether on a large or small scale.

With our newsletter, Global Connections, and various guideline booklets, our members are receiving the most up to date information available in the meeting planning industry.

Become a part of a growing global network and profit from the valuable contacts and information that the International Society of Meeting Planners can provide.

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## TABLE OF CONTENTS

Introduction .....	5
<i>Chapter One</i>	
How To Put On An Event .....	6
<i>Chapter Two</i>	
Setting Up A Legal Business .....	8
<i>Chapter Three</i>	
Marketing Yourself .....	11
<i>Chapter Four</i>	
Office Facility .....	15
<i>Chapter Five</i>	
Personnel .....	20
<i>Chapter Six</i>	
Bookkeeping .....	23
<i>Chapter Seven</i>	
Taxation .....	26
<i>Chapter Eight</i>	
Planning For Success .....	29
<i>Chapter Nine</i>	
Where To Find Funding .....	33
<i>Chapter Ten</i>	
Managing Your Assets .....	35
<i>Chapter Eleven</i>	
Establishing Your Services As A Meeting Planner .....	37
<i>Chapter Twelve</i>	
Legal Issues Affecting Meeting Planners .....	45
<i>Chapter Thirteen</i>	
Guidelines and Worksheets .....	51
ISMP Application .....	61

## **PREFACE**

### **INDUSTRY OVERVIEW:**

The hospitality industry is made up of three primary segments - Meetings, Tourism and Travel. These three areas share utilization of any of a variety of modes of transportation, overnight accommodations and usually, participation in some type of activity or formal program. Specialized skills in planning, organization and management are required in all areas of the hospitality industry.

As recently as 30 years ago, meeting planners and travel agents were lacking in resources and untrained; as a result unable to get through the planning process. From these neophytes have emerged professionals; and from these professionals we are amassing a field of knowledge to enhance and expedite the planning process.

### **UNIQUE SKILL REQUIREMENTS FOR MEETING PLANNERS**

The skills required by industry professionals when planning meetings are even more pronounced. The formal program, education component, and “for profit” orientation of many sponsors require these planners to be knowledgeable in educational theories, sophisticated budgeting and financial management systems and analytical methods for evaluations and projections. The risks and liabilities issues inherent in contracts and agreements further require familiarity with laws and insurance.

### **WHO IS THE INTERNATIONAL SOCIETY OF MEETING PLANNERS?**

The International Society of Meeting Planners (ISMP) serves as a media for meeting planners to communicate on an International basis. The International Society of Meeting Planners is currently represented by members in over 97 nations, and has been dedicated to the advancement of the meeting planning profession since 1981. The primary objective of the Society is to provide professional recognition and a method to easily network with recognized professionals both internationally as well as within your own nation.

ISMP offers three distinctive designations. RMP - Registered Meeting Planner; CEP Certified Event Planner; and CDS - Certified Destination Specialist. To become a designated member you must be currently engaged in the meeting planning profession; successfully complete an examination; after which you will receive an official membership certificate stating your professional designation with ISMP. All members of ISMP adhere to a strict Code of Ethics.

### **THE CONTINUING NEED FOR EDUCATION**

This “Start Up” guidebook was compiled in response to the obvious need for information in this industry. It is complete and concise and offers a wealth of knowledge for the Meeting Planner.

As the meeting planning industry is growing rapidly, the educational needs are growing too. In putting together this manual, we incorporated the areas of study from the beginning of this business to the actual planning of a meeting. We have also provided sample forms and guidelines. With proper training and certification, you will have no trouble establishing a successful Meeting Planning business.

## INTRODUCTION

While you read this, no matter where you are or what time of day it is - there is an event going on. You may be in London at midnight or Honolulu at daybreak, people are gathered for meetings.

The main stage of history has been one individual meeting with another. People have an ongoing need to learn and share experiences and opinions. This social process has continuously expanded with a climax in the modern conference or seminar.

Today, devoted to the exchange of information, problem solving, etc., there are uncounted hundreds of thousands of meetings going on. Someone is there with the steep task of planning and staging every one of these meetings; whether it is a one-day seminar for 20 people, or a week-long convention for 1,000. The meetings' purpose cannot be achieved without a competent, able person in charge of the event planning, scheduling and follow-through for the meeting.

Herewith - the Professional Meeting Planner! With over twelve thousand meeting planners in the United States alone, training the meeting manager to stay abreast in the growing marketplace is imperative. Through experience, the meeting planner must develop and nurture their knowledge and skills to allow them to bring together all the complicated factors involved in planning a successful meeting.

Meeting planning requires many skills and talents in a wide range of technical fields, including:

- program planning
- public relations
  - marketing
- financial management
  - budgeting
- food and beverage planning
- audio/visual presentations
- sales and management exhibits
- transportation and lodging
  - hospitality
  - entertainment
  - negotiations

Perhaps one of the most important required skills is that of negotiating. The meeting planner will be an effective negotiator of:

- hotel contracts
- transportation companies
  - meeting rooms
  - banquet facilities
  - service industries
- entertainment companies

It is not surprising that meeting planners choose to join professional associations as a means to keep current in new technologies and continually upgrade their own personal skills. An inexperienced meeting planner will not fare well in this society of hi-tech meetings, seminars and events.

Programs provided by professional associations, such as the International Society of Meeting Planners-ISMP, supply a constant source of continuing education to keep meeting planners in touch with changes in this rapidly growing industry.

## CHAPTER ONE

# HOW TO PUT ON AN EVENT

Whatever type of event or meeting planning you specialize in, it will require the same basic steps.

You will need to get some information from the client. Find out what the purpose of the event will be. Is it a business only event, a reward ceremony for the employees, or a traditional wedding/ What are their budget guidelines? Where will the event take place; will it be held locally, out of state, or out of the country?

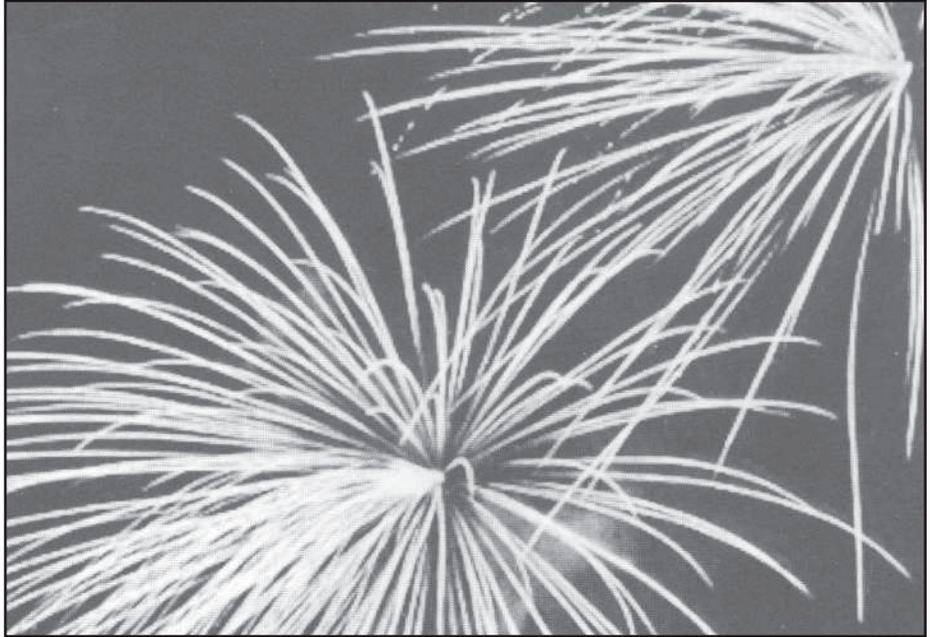
If you are new and do not have a lot of contacts out of your own region, contact the Department of Tourism for the city, state or country where the event will take place. Or, if you are a member of an organization, contact the organization and ask if they have members in that particular city, state or country. Depending on the specific event, you will most likely need to arrange the following services:

- Food and Drinks
- Entertainment and/or Speakers
- Transportation (car rental, airline tickets, chartered bus, taxi, etc.)
- Meeting/Banquet Room(s)
- Lodging

Again, depending on the event, you may need to supply additional services such as audio/visual equipment, printed handouts, trophies or awards, decorations, etc. As long as you plan in advance and have a list of good suppliers, you should be able to handle most any requests.

### Sample: Event Timetable

Timetables vary according to the size of the group, the season and the location used. The timetable has been prepared to give you the maximum coverage for maximum results. For smaller meetings, you may need only half of the suggested time shown. It is very important to prepare



your own calendar to target deadlines. It's a great way to deter details from being forgotten and undone. It is also a good idea to chart target and completion dates for each item presented below.

### 18-24 Months Ahead

- select dates
- select a hotel or conference center
- see the facility (site inspection)
- book meeting, banquet and sleeping room space
- prepare a preliminary budget
- negotiate with and obtain signed contract from facility
- program development

### 12-18 Months Ahead

- determine the theme of the meeting
- begin search for speakers
- plan business and social agenda

### 9-12 Months Ahead

- contract with speakers
- review program with facility
- review spouse program with facility and ground operator
- book sports events with facility or nearby properties
- send first mailing

### **6-9 Months Ahead**

- make special travel arrangements with airlines or agent and advise participants
- review audio/visual needs; obtain producer or advice the facility
- review program with principals
- review specifications with facility as necessary
- contract with ground operator
- refine budget

### **3-6 Months Ahead**

- correspond with participants; send reservation cards to participants (if appropriate)
- have preliminary agenda type-set
- select menus for special theme functions
- get name badges printed
- have signs prepared
- confirm special events

### **6 Weeks Ahead**

- finalize agenda
- select final food and beverage requirements
- get speaker special requirements; hand-outs

### **4 Weeks Ahead**

- send spec sheets to facility
- send rooming list (or check with facility on reservation cards)
- review facility banquet event order and advise of any changes
- review program with all speakers and presenters

- have final program printed
- have registration packets prepared
- prepare roster of attendees for registration packet
- obtain all handouts for shipping to facility

### **2 Weeks Ahead**

- ship material to facility
- review audio/visual with producers and individual presenters
- review program with facility

### **Day Prior to Meeting**

- walk through the program at meeting site
- review all setups, including registration area
- review rooming list with front desk
- have pre-conference meeting with all appropriate personnel

This extensive list (timetable) can still be added to with many more items, depending on the event. It is meant as a “help-list” for planning a general meeting and would need to be personalized for each special event you are planning.

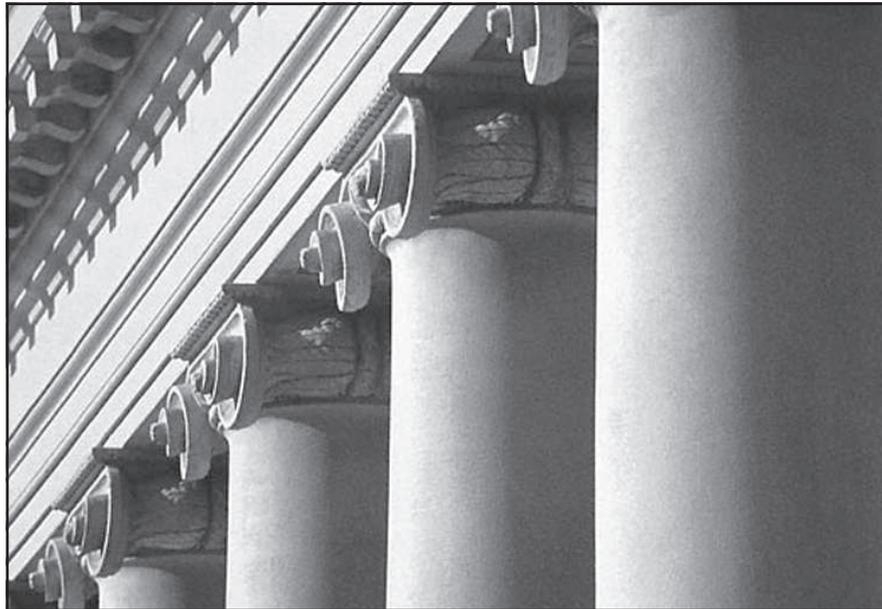
Now that you know what a meeting planner is, read on to find out how to get your own meeting planner business up and running-profitably!!

## CHAPTER TWO

# SETTING UP A LEGAL BUSINESS

You must determine which type of legal form of organization will be best suited to your needs.

A sole proprietorship is the simplest type of business organization. This a business that is owned by one person only. All debt and profit are considered personal. There are several advantages of a sole proprietorship. You will



have the least legal requirements and restrictions. Since all of your profit and debt are personal, you will only need to file one tax return. The only legal documents you will need are a business license and a DBA (doing business as), which is the name you choose for your business. This should be filed with the Secretary of State.

There are financial advantages as well. The start up cost of a sole proprietorship is low and the profits are all yours! Another advantage, the one that probably entices the most people into starting their own business, is complete freedom in decision making. You have no one to answer to except yourself. Being your own boss is why most people start their own business.

There are disadvantages to a sole proprietorship which must be considered also. Remember we said all debt and profit is personal? This means that should your business fail, your creditors can attach your personal assets. Even if you get out of the business, your personal credit can be attached and ruined. Other financial disadvantages include limited available capital and difficulty obtaining financing to raise this capital. Being the sole owner, you will be the

sole means of funding. This also means you will have a hard time getting credit, as credit will be based on your individual assets.

*The next level in complexity is the partnership.*

There are two types of partnerships, general and limited. A general definition of any partnership is two or more persons joined to carry out business for profit.

In a general partnership, each partner is responsible for the business. This means each partner is responsible for the actions of the other including profits and debts. Each partner's personal assets are exposed, as they are in a sole proprietorship, in the event of creditor action. Once assets are contributed to the business, they are property of that business and the contributing partner has no claim to those specific assets, only his/her portion of the business's assets. This is one reason a formalized partnership agreement is essential. An attorney should prepare the

agreement outlining each partner's responsibilities and share of assets. General partnerships require a Federal Employee ID number and a DBA. Each partner will report his/her portion of profits and losses on their individual tax return.

The limited partnership is somewhat different from the general partnership. Becoming a limited partner means limiting the liability exposure to the amount invested in the business in the event of creditor action. The limited partner can be someone who helps operate the business, or a "silent partner". A silent partner is one who invests in a business and leaves the operation of the business to other partners. The advantage to the other partners in an influx of capital without giving up freedom of decision making. The advantage to the silent partner is a set portion of the profits as a return on his/her investment, and certain tax advantages.

In most states, there are registration fees for limited partnerships and in some states, they are governed by securities laws. Contact your local Secretary of State's office to get specific details. An attorney should draw up

the limited partnership agreement.

A corporation is the most complex type of organization. It is formed by law as a separate entity from its owners. Potential shareholders offer money or property in exchange for stock in the corporation. Stockholders are the owners of the company. Operators may be stockholders, or simply employees of the corporation. This type of operation shields your personal assets, even though you may own the vast majority of stock. The corporation itself is responsible for debt in the event of creditor action.

The business also has unlimited life under the corporate set-up. In partnerships, death of a partner sometimes ends the business. In a corporation, the stock of the deceased can be sold with few legal problems. Entire ownership can also be transferred with little legal confusion by the sale of stock, should one or more of the stockholders wish to get out of the business.

There are drawbacks to forming a corporation. A corporation is a legal entity and therefore requires extensive recordkeeping. There are also regulations your corporation must abide by to keep the charter. Your corporation will also be subject to taxation twice. Once on the corporate profits, and again on dividends paid by the corporation.

As we stated earlier, a corporation is the most complex type of business organization and requires more legal documentation. Make sure the name you are using (DBA) has been checked with the Corporation Commission. Deliver the Articles of Incorporation to the commission. You may want to attempt filling out these forms yourself if your corporation will be fairly simple with few stockholders. If it will be a complex agreement or you do not feel you can successfully complete the incorporation forms, consult an attorney.

You must show a street address for the statutory agent, file a Certificate of Disclosure, pay required incorporation fees, and advise the commission of the fiscal year your corporation plans to use. You must also publish the Articles of Incorporation in a newspaper of general circulation in three consecutive publications. For specific questions or additional information, contact your state's Corporation

Commission.

*Some states offer a type of corporation called an S Corporation.*

The difference is an S Corporation is not subject to Federal corporate income tax. The profits and losses



become personal income, reported on an individual tax return. This tax rate should be lower than corporate tax rates. You will avoid being double taxed!

There are several requirements a corporation must meet to qualify:

- Corporation must be headquartered in the United States.
- Must have only one class of stock.
- No more than 35 shareholders.
- Only individuals or estates can be stock holders.
- No non-resident aliens as stockholders.
- May not have subsidiaries or be a member of affiliated group of corporations.

For more information on S Corporations, contact the IRS.

## licenses

Regardless of which type of business organization you select, there are various licenses and permits you must obtain.

You will need a business license to conduct business in your city; or possibly county license if your business will be located outside of city limits. The zoning bureau

will issue your license and check to make sure your property is correctly zoned for your type business. Also, check with the zoning office to see what type and size sign is allowable for your office/property.

If you plan to provide food and/or drinks yourself, you will need to obtain permits to do so. Check with the local health department about availability and cost of these permits. **IF YOU WILL BE CONTRACTING FOR THESE SERVICES, YOU DO NOT NEED TO OBTAIN THE FOOD AND ALCOHOL PERMITS.** It is however, very important that you verify the service you contract with does have the required permits.

## Insurances

You should consider obtaining insurance to cover several aspects of your business.

Certain types of insurance will be required by law, such as workers' compensation and possibly, liability insurance. Other types of insurance you should consider are:



*Fire and General Property:* This will cover your property in the event of fire, vandalism, and certain damages caused by inclement weather (wind, hail, etc.). This type of insurance will cover losses directly related to fire, weather, etc.

*Business Interruption:* This will cover your revenue lost because of a stoppage of business caused by fire, theft, illness, etc. Compensation in the event of one of these catastrophes will help you to cover your expenses while you are unable to do business, such as rent on damaged facilities, rent for temporary housing for your business, salaries, interest on outstanding loans, etc.

*Auto Insurance:* Even if you do not own a "company vehicle", you may be responsible for damages caused by your employee, in his/her own vehicle while on company business. Obviously, if you have company vehicles you will want to have insurance coverage on them.

*Crime Coverage:* This will reimburse you for robbery and burglary by forced entry (other than employee theft).

*Fidelity Bonds:* This covers you in the event of employee theft.

*Liability Insurance:* This is a must, even if not required by law in your state. Liability insurance will protect you from claims of bodily injury and property damage. These claims can run into hundreds of thousands of dollars. Make sure you are adequately covered.

*Product liability:* This will cover injuries to clients related to use of your products.

You must determine what your risks are; what you can afford in the event of a loss. If a loss would cause bankruptcy, you need insurance to cover the loss. If you have few employees, you probably do not need Fidelity Bonds. The same is true of Crime Coverage insurance if you do not have many valuable assets in your office. You must weigh the cost of the

insurance premium against the loss you are risking. Get with an insurance agent who is experienced in insuring small businesses. The agent should be able to help you manage your risk.

## CHAPTER THREE

# MARKETING YOURSELF

Marketing is one of the most important elements in getting a new business off the ground. It can be very expensive and non-productive if done incorrectly. It is imperative to market in the most effective medium and to target the right groups.



### *Who needs the services you are offering?*

You must decide what services you will offer and try to create a niche for your business. Look at your background. Where your experience lies and where you have made contact is the most logical place to start.

If you have a background in sports, look to athletic teams and associations for business. Every high school has an awards banquet for its athletes, usually for every season (i.e. football, basketball, track, golf, etc.).

If you came from the corporate world, explore those options. Corporate events include sales meetings, incentive trips, trade shows, conferences, seminars, board meetings, etc.

Starting in areas you have some knowledge of will help you establish yourself as an “expert” in a certain field. Creating a niche to start in narrows the field to which you

will want to market.

One of the least expensive and most effective means of marketing is “word of mouth” and networking. Let all of your friends and family know you are a professional meeting planner. Many of them will be involved in associations and clubs that hold meetings. Also, they know people you do not. Get names of contact people they think may have a need for your services.

Professional associations are a great way to network with others in the industry who are usually willing to help with questions or exchange ideas. Business sometimes happens within the association, where one planner is too busy or lacks the expertise in a certain area. He/she will immediately think of you, if you have established yourself as an “expert” in this particular field.

Some business will come from a client contacting the association to recommend one of its members to plan an event. This is usually the case when the association is well-known for high standards. These type of arrangements can be made with the International Society of Meeting Planners (ISMP).

Once you have completed an event for a client, follow up. Stay in contact with a client and make sure they were happy with your service. This is the best word of mouth advertising you can get. The client is an impartial judge of your services and can send you referrals as well as repeat business. They can also steer business away from you if they were unhappy. If you do not follow up, you will never know if they were satisfied. Take the time to call the client and ask them specific questions like:

1. What did you like most about the event?
2. What did you like least about the event?
3. What could we change to make it better?
4. Would you use our services again?
5. Would you refer our company?

Listen carefully to the replies and explain to them you are open to suggestions, anything to make your business better. You want them to know you are concerned with providing your clients with the best possible service and they are a valuable asset to your company.

## Advertising

You will need to set aside a budget for your advertising. A good method to figure the amount you will want to spend on advertising is:

Projected gross sales x 5% = annual advertising budget.

If you expect to do \$100,000 in business your first year, five percent of that would be \$5,000, or about \$417 per month. If you use the right types of medium to convey your message and direct it toward the right groups, this should be an adequate budget.

What message do you want to send in your advertising?

You will want to develop a corporate image. Keep this in mind when selecting a name for your business. Also when selecting colors and a logo for your business, try to envision the image you will be portraying to your prospective clients.

Create a need for your services. Many people may not realize they need an event planner. The purpose of your advertising will be to explain your services and how it will benefit the client.

Convince clients your services are the best. Tell them why they would use you. Your experience, price, attention to detail, something must set you apart in your ad.

Your advertisements should be easily understood. Avoid using jargon or technical terms. Keep things simple, but be informative.

Most importantly, your advertisement must be persuasive! It must get people in the door.

Now you must design the ad to convey your message.

A good place to start is other ads. Scan the

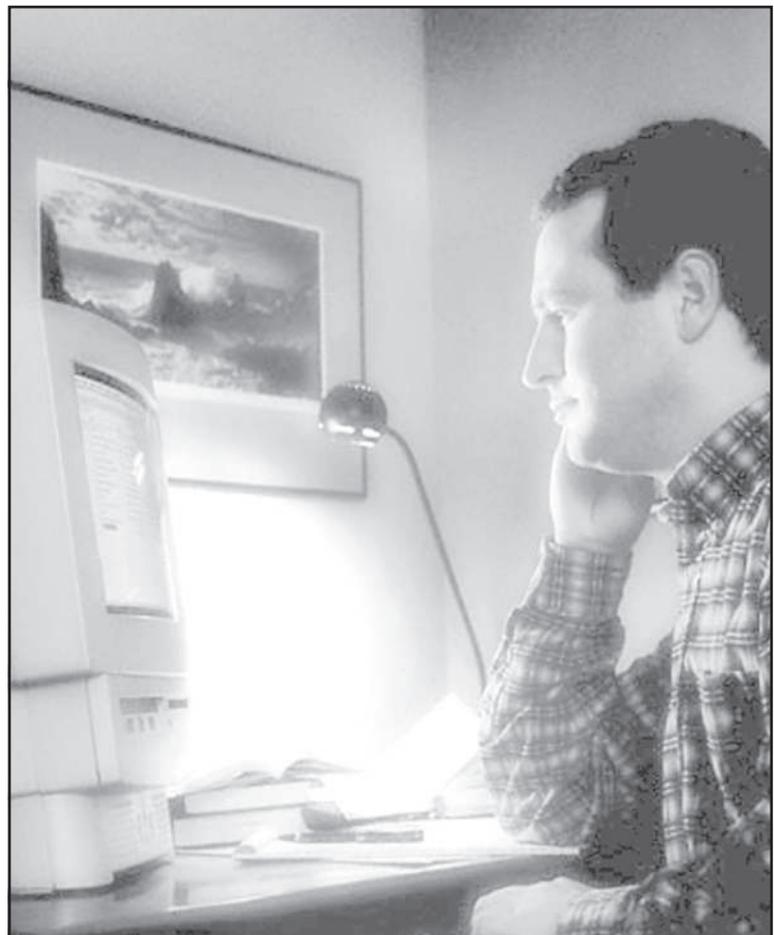
Yellow Pages and make notes of the ads that catch your attention. Do they all have the same thing that makes them stand out? What caught your eye first? Once you turned the page, did you remember the ad or the name of the business? Use the techniques that seem to catch your eye.

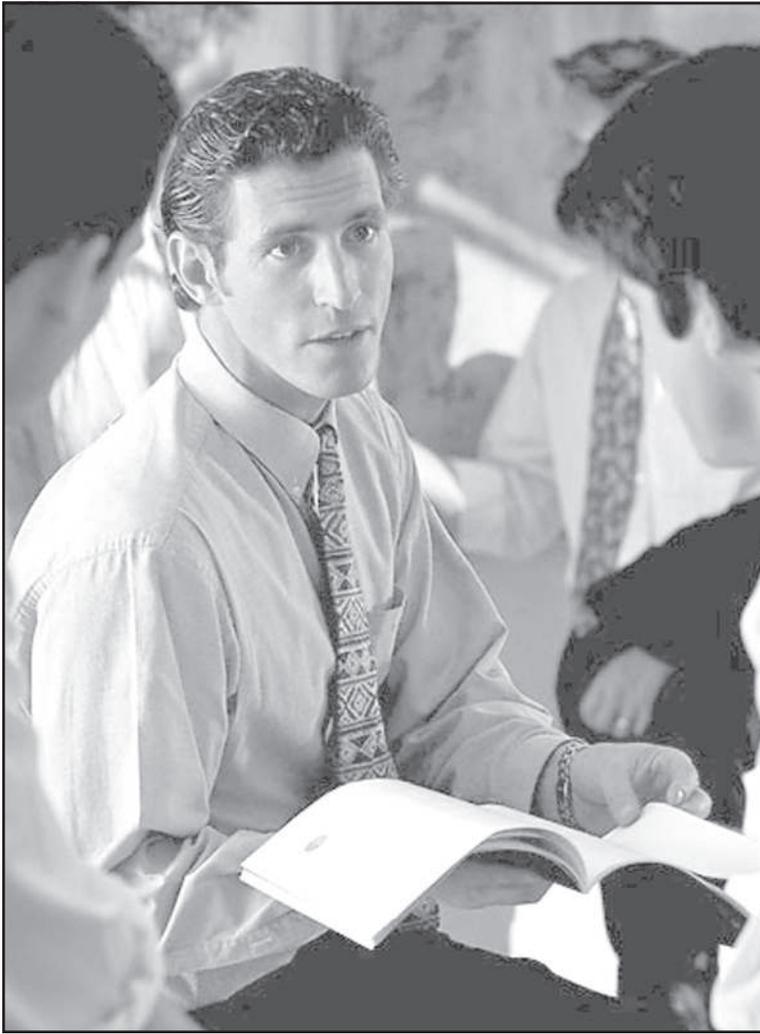
There are a few proven methods to designing a persuasive ad.

Since you have decided on your target audience; your niche, design your ad accordingly. Different aspects of your service will appeal to different clients. Saving time is most important to some, while saving money is more important to others. Enhancing the event may appeal to someone who has planned an annual gathering for several years and has run out of creative ideas.

Convey your message many times in different ways. The more times a client hears something, the greater the chance it will stick with them. "Save Time!! One Call Gets the job Done! No More Endless Hours on the Phone!" All these say the same thing: MY SERVICE WILL SAVE YOU TIME.

You need to find the best medium to get your message





out to your target group within your advertising budget.

The Yellow Pages is the most frequently used and probably most effective. It is seen by the most potential clients and they are most likely looking for your particular service. There are things to consider when choosing to advertise in the Yellow Pages. Find out what category your service will be listed under. Look through your Yellow Pages and see where other meeting planners are listed. You will want your ad placed in this section.

This creates another hurdle. Your ad will be listed with your competition. It is important the ad stand out. Think of your ad as your resume. Tell the potential employer why he/she should hire you. When submitting an ad to the Yellow Pages, make sure it is in on time. If you miss the deadline, you could be waiting a whole year to get your ad published.

You may want to consider advertising in trade magazines. Magazines that target the same people you target will be most successful. The best way to find these

magazines is to check out your local library reference section. They would carry a list of all consumer and trade magazines with a description of each. When advertising in magazines, it is important to be consistent. Your response may start slowly, but with regular, frequent ads in the same magazines it should build. If you decide to change magazines midstream, you will in effect be starting over, losing the building process you have started. Of course, if you are getting no response from the ads you have placed, it may be time to change publications. Be patient, allow an ad to run at least six to eight months.

Direct mail can be very effective while remaining within your budget. Direct mail can be precisely predicted and controlled, but you must know who your customers are. Special rates for bulk mail and first class bulk are available from the postal service. Be aware that bulk mail is a significant discount, but very slow. Check with your local post office for applications and specific information on fees and discounts.

You will want to purchase a mailing list from a list broker. There are lists for almost any category imaginable. The information you will want to know about your customers is age, gender, marital status, own home or rent, frequency of purchases and amount of purchases. Experts in the direct mail field suggest more conventional means of advertising until you are certain who your customers are. Guessing is frustrating and expensive. The most important thing to remember when designing your mailer is to personalize it. This will help keep it out of the “junk mail” pile, and from being discarded before being read.

Publicity is one way to get your name out at no charge. Whenever you do anything or are involved in anything you feel is newsworthy, submit it to the press. Be sure to include your credentials. Anything accepted and printed is free advertising.

Community service is a great way to get your name out. Many events such as political rallies, Special Olympics and sporting events are covered by the press, and are also attended by potential clients. Articles and news clippings add to your credibility simply because they were written by an impartial, outside agency. Most articles will reach many more potential clients than you could afford to.

## Setting Your Fees:

Find out how the competition is pricing their services. A factor you will have to consider is what price or percentage that the market will bear.

There are a couple of ways to price your services. The most widely used is adding a percentage to the cost of services. Assume the sample wedding cost \$5,000. This figure is the total of all bills; i.e. caterer, band decorations, invitations, etc. You would add a percentage to this figure, say 15%. 15% of \$5,000 equals \$750, making your total bill to the clients of \$5,750. Keep in mind your fixed costs will come out of this \$750. If your costs are high, you may have to raise your percentage, or find a way to cut costs.

Another way to base your price is percentage plus commission. Using the same \$5,000 figure, your cost would be figured this way. You will receive 5% of the \$5,000, which is \$250, plus commission from the contractors. If the hotel pays you a 5% commission and you book 20 rooms at \$50 each, they will pay you \$100. A similar arrangement would be made with each contractor hired. Make sure this agreement is included in the contract.



## CHAPTER FOUR

# OFFICE FACILITY

The type of office you choose should be compatible to the type of clients you will be servicing. It is possible to run a business out of your home, and this is quite possibly the best place to start, but you should also give some consideration to leasing office space.

### In Home Office

Starting your business in your home has an obvious advantage, saving money! In addition to the money you save on rent, there are significant tax breaks. You should consult an accountant on what specific deductions can be taken, and what restrictions apply. Some restrictions include:

- The office must be used solely for business. A portion of a room will not suffice. Also, if there is a TV, VCR, stereo, etc. in the room, this could disqualify your deductions.



- The office must be used for visits from clients. This is not to say all your contact with clients must be in your office, but you will want to schedule a majority of your meetings in your home office.

You will be able to deduct a portion of your rent or mortgage, utility bills, etc., as business expenses. Again, it is very important you consult an accountant to determine exact amounts you are able to deduct.

The layout of your office is entirely up to you. You can be as lavish or simple as you wish. You may want to keep things simple if you are just starting out. An office can be very professional without being expensive. Start out with the necessities and upgrade later. The money you save can be put to better use in marketing. Neatness and a sense of order go a long way in establishing ones credibility. Something similar to the office layout we have included will work. (You should strongly consider a separate entrance for your office.)

*There are a few essentials office will need:*

- A desk for every person working for you
- A telephone on every desk
- A computer is a very good investment
- A copier
- A facsimile (fax) machine
- A filing cabinet in reach of the phone
- A good supply of pens
- A note pad for incoming calls
- A rolodex
- A day planner and large calendar

Your telephone is you main source of business. Make sure your phone system is adequate. A busy signal is a sure way to lose business!

If you are starting your business in your home, you may only have one phone line. If set up correctly, this may suffice for a while. You must have call waiting and/or voice messaging! Call waiting allows you to answer another call while keeping the original caller on hold. This is very simple and inexpensive to operate. Voice messaging answers your calls while you are on your line (or out of the office), so you do not miss any calls ever. Both services are available through your phone company for a small monthly fee.

Call forwarding is another option available you may

want to consider. If your business is small, with only you or you and one other employee, it will be impossible to be in the office at all times. Call forwarding allows calls coming into your office number to be transferred to a number where you can be reached. If you will be inspecting a meeting site, ask the operator of the site in advance if you can have your calls transferred to his/her number while you are there.

A cellular phone is also an excellent asset. While you are away from the office your calls can also be transferred to the cellular phone. This way, you always have a number where you can be reached.

Both voice messaging and answering machines allow you to check messages without being in the office through the use of codes. Remember, phone calls are potential business. Do not lose business because no one answered the call or you did not respond in a timely manner to the message.

A computer can be an extremely important asset to your business. Do not be intimidated by the thought of using a computer if you have never done so. Computers are becoming very "user friendly", that is, easy to learn and operate. In terms of price, there is no end to the amount of money you can spend on a computer system, depending on your level of knowledge and what tasks you want the computer to perform. If you are looking for a stand-alone computer for your small business, a personal computer (PC) will be adequate.

The initial cost of a computer may seem expensive, but considering the time it will save and professional image it helps create, the investment will pay off. Billing, payroll, client proposals, bookkeeping and records can all be done on a computer. This will free up time that can be spent doing things that actually bring in money.

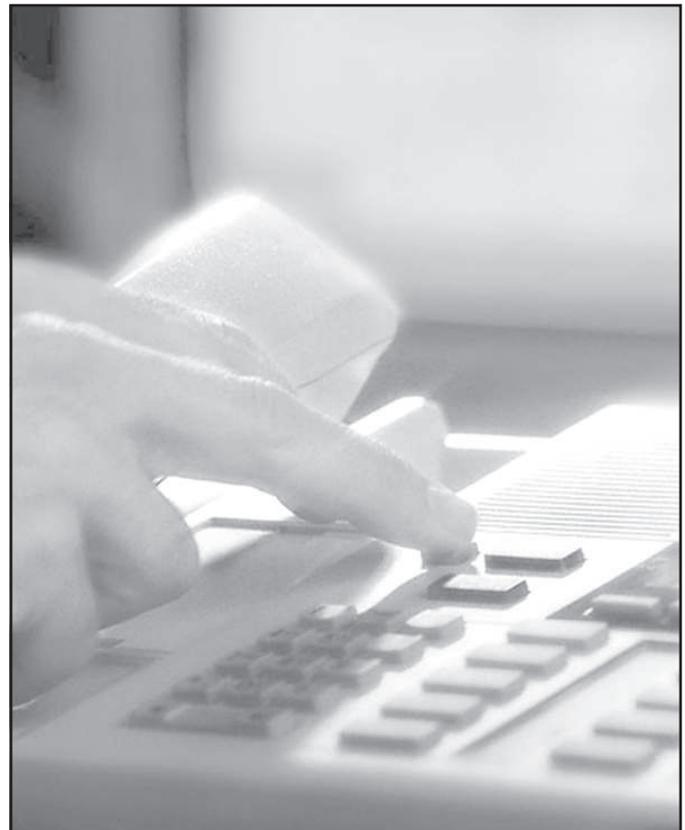
Shop around for a computer. Tell the salesperson you are looking for a computer to help you run your small business. Ask questions and do not accept any answers in "computer lingo" that you do not understand. Also, many sure any software you will need to perform the tasks you require are included or available. Ask the salesperson where you can get the training you will need. Most likely, he/she will be able to help you get started, or direct you to someone who can.

A copier is very useful to your business. If you plan to use your copier only for short documents, invoices, letters, tax records, etc., the least expensive model will fill your

needs. If you plan elaborate meetings to be presented to corporate clients, you may want a copier with more options. Copiers at the higher end are able to sort, enlarge, reduce, collate, staple, color, print graphs; almost anything you desire. The price can go into the tens of thousands of dollars for these machines. Determine what your needs will be and buy accordingly.

A facsimile (fax) machine can speed many transactions. Communicating by fax with clients and contractors will be especially beneficial if they are located in other states. Mailing short documents back and forth for signatures is time consuming, even if your client is across town. It is often difficult or even impossible to describe information or event site layouts without the aid of drawings or pictures. The fax machine sends documents over phone lines in a matter of minutes. As technology increases, the machines get better and the price comes down. A modest fax machine to simply send and receive documents can be found for under \$400.00. As with most machines, there are more options available at an increased cost. Never-busy reception, high resolution graphics, plain paper reception, high speed transmission, programmable memory dialing, etc., are all available. Again, decide what options you will need and buy accordingly.

A large part of being organized is knowing where to





find records or files when you need them. Keep all your documents in one location, preferably a filing cabinet. We recommend your filing cabinet be fireproof.

It may sound ridiculous to list pens and note pads as equipment you will need to open your business. Think of how many times you received a phone call at home and had to ask the person to wait while you found a pen and something to write on. You do not want to do this to customers. Reduce the time you have customers on hold whenever possible. This projects a good image. You want the customer to have confidence in your ability to deliver on time and accurately. If you are scrambling around to find a pen and paper, you may also be scrambling around at the last minute to put together an event.

Keep frequently called phone numbers in a rolodex. Anything that saves time will help you. Contractors, suppliers, clients you are currently working with and past clients, governmental offices and agencies you may need to contact with questions, all should be in your rolodex.

A day timer is valuable to help you remember meetings and deadlines. Some executives live by their day timer; both professionally and personally. The bigger your business grows, the more demands there will be on your time. Schedule meetings when you have sufficient time to address the problems or questions of the client. Do not put yourself in the position of having to cut one client off to be able to make it to a meeting with another. You run the risk of losing them both. You want to be busy, that means more business and more profit, but schedule your

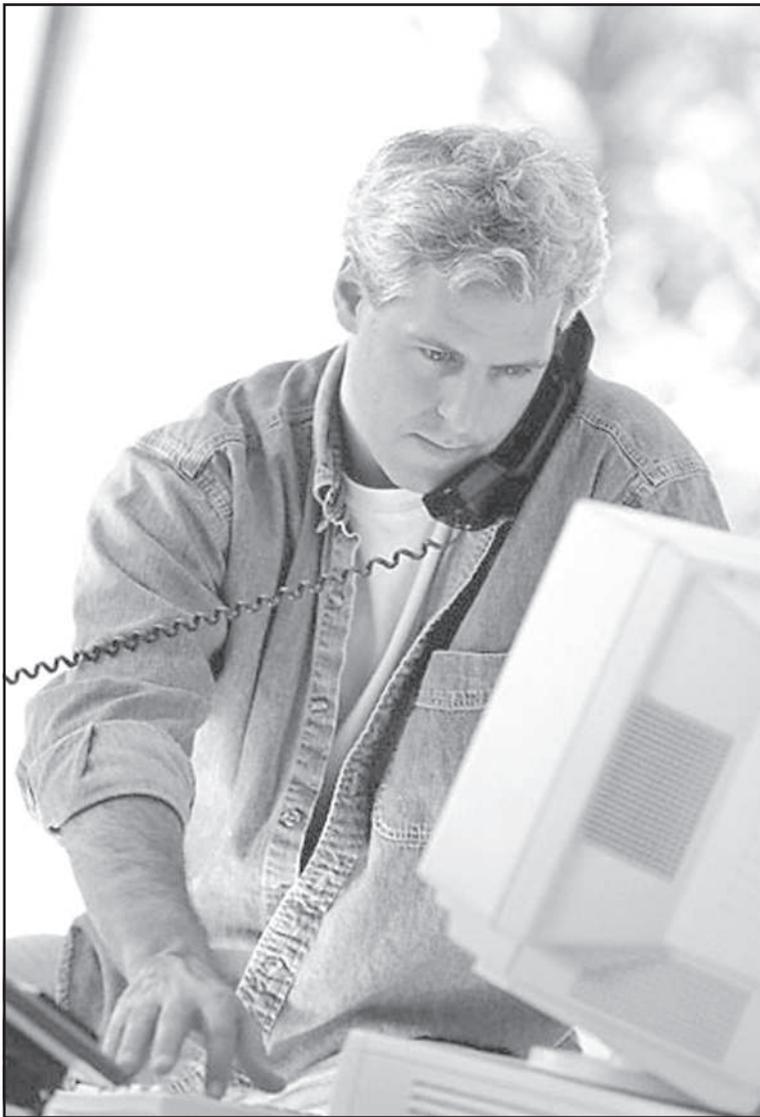
time accordingly.

A large calendar will keep you and your staff aware of what you have scheduled. Write in events on the dates you have them planned. Keep the calendar in a place where you and your staff can quickly see which dates are available and which are booked. This is important if more than one person is planning events. It will also help you get an idea of what is coming up quickly, without having to go through your planner, day by day.

You have several options in obtaining the equipment you will need to get started. One obvious option is purchasing new equipment. You may want to consider used equipment also. As businesses expand, they need to upgrade their equipment. The equipment they have is not worn out, only incapable of handling their needs. These businesses will want to sell this equipment or trade it in on new models. A good place to look for used equipment is in the classified section of your local newspaper.

There are often many good buys on electronic equipment, such as copiers and fax machines, as well as office furniture. Do not buy used equipment or furniture without first inspecting it. If a business is closing and liquidating its assets, it is possible you will find excellent equipment and furnishings at very reasonable prices. You might also find that the equipment has seen better days. Some businesses will try to sell equipment themselves to get a better price than available when trading it in.

Try to stay away from very old equipment. Even if it seems in good working order, when it comes time to repair or service it, finding parts may be impossible or very expensive. Dealers in new equipment will possibly have some used items they have taken in on trade. This is a good place to purchase used equipment. They will know what kind of shape the equipment is in and how difficult the machine will be to service. However, be careful. They will most likely try to “sell you up” into new equipment. Use your common sense and shop around. It is very possible to find excellent equipment at a substantially reduced price.



Leasing equipment may be a viable alternative for you. By leasing the items you need, you will decrease your initial outlay of capital. The lease payment will be an operating expense and therefore tax deductible. You will not be able to show your equipment as an asset, however. If you have the funds available for purchase and still want to consider leasing, consultant. He/she will be able to figure which way will be most beneficial to you in terms of taxation. Tax laws usually favor ownership versus leasing. Your accountant should also explain to you what depreciation will be on your equipment, and what portion of this will be tax deductible.

### **Leasing/Renting Office Space**

You may want to consider leasing or renting space for your office. If you will be seeking corporate clients, the image you present is very important. Be very selective in the area you choose for your office and the type of

lease you agree to. Obviously, property in less desirable areas will be less expensive. If you are looking for the corporate client and they will be visiting your office, be careful. Your surroundings outside are as important as the decor inside. If you are familiar with the area, you will know the “bad side of town”. If not, consult neighbors or friends who know the area and use your common sense. If the lease/rent seems too good to be true, it probably is.

Event planners we have spoken with have found the Executive Suite an excellent place to open a business. Executive suites usually offer short term leases, starting at six months. This is an advantage to a new business. Some will also provide service including:

- a receptionist to direct incoming calls to you
- use of meeting rooms
- copying services
- fax service

Most of these also include utilities in the rent. All of these services allow you to control your costs, and avoid a large outlay of capital to hire employees and purchase equipment. All of these are beneficial to a new business. Investigate local executive suites and find out what services they offer, at what cost.

There are many types of leases. Some are better suited to your needs than others. A lease is usually a binding contract for a specific amount of time and money, regardless of what happens to your business.

The safest is the month to month rental. When you are starting a new business, the shortest term is usually the best. This way if your business expands, you can find another location better suited to your expanding needs. Or if the reverse happens, you do not have the balance of a lease hanging over you and your business. Month to month rentals are sometimes very hard to find.

There are many other types of leases available. Step leases are usually for several years. The rent increases on an annual basis. You will pay a percentage increase every year. If the rent starts at \$300 per month and the increase is 15%, you will pay \$ 345 per month in year two, \$400 in year three, and so on. The advantage to this is your increase is locked in. Even if the landlord’s costs go up 25%, he/she cannot increase your rent. The disadvantage is costs may not go up 15% and you could find rent

cheaper somewhere else, but you are locked in.

A Net Lease is also a multi-year lease. The landlord covers rising costs by delegating them to you. You will have a set rent and your increases are based on a rise in taxes, insurance and upkeep on the building. If you set rent is \$300 per month the first year and taxes go up \$30 and insurance goes up \$10, your second year rent will be \$340 plus maintenance fees. The advantage is you will only pay the actual rise in costs, not an arbitrary figure decided by the landlord. The disadvantage is you do not know how much of an increase to expect, nor can you control it.

A Flat Lease is the simplest. It is a set rent amount for a set period of time; i.e. \$300 per month for 24 months. The advantage is you know what your rent will be, without any increase, for a set period of time. The disadvantage is when and if you wish to renew, the landlord can raise the rent whatever amount he/she wishes.

Check out your prospective office thoroughly before signing a lease. Find out how much you are paying per square foot. Is this in line with your location? Check other offices in the area and even your building, if applicable. You may not need as much space as what is being offered. Use this as a negotiating tool.

Make sure your potential office has enough electrical outlets in places you will need them. Also make sure there are enough telephone jacks or that you are allowed to have them installed where you need them.

Zoning requirements sometimes restrict what type of business can operate out of specific buildings. They may also have restrictions on size and type of sign allowable. Parking is another thing you will want to check. Find out how many spaces you will be allotted. If this will not be sufficient, ask if you can purchase extra parking.

Some health departments require both men's and women's restrooms. Find out who pays for the insurance and the utilities. If you are required to pay the utilities, check with other tenants in the building, or the electric company to find out what previous bills were averaging. Is the building up to fire codes? Does it have fire alarms and sprinklers?

Drive around the building. Is your office and/or sign easily visible from the street? Is it easily accessible from

the street, or more importantly, from your allotted parking spaces?

Ask a lot of questions before signing a lease. A lease is usually a fairly long term contract. You do not want to find out one month into your lease that the site you have selected will not fit your needs, or be excessively expensive to alter to meet them. We strongly suggest that you consult an attorney before signing a lease.



## CHAPTER FIVE

# PERSONNEL

When you are just starting out, your full time staff may consist of only one - you. You will be handling the office, marketing, sales and bookkeeping. As your business grows, you will need to add employees.

If you have never operated your own business before, you may want to hire an accountant or bookkeeper to help you get started. This does not mean a full time employee, just someone to help you set up your record keeping and tracking of contractors you will hire to provide some of your services. It is much less time consuming and expensive to have an expert get you on the right track, than it is to have one come in somewhere down the road when your books are a mess. You will probably be paying many independent contractors to provide your services, i.e. caterers, speakers, etc. It is very important to be able to track all of your expenditures. Let an experienced bookkeeper show you how to do this.

Independent contractors are people or services you will hire to provide any service you do not directly provide. They will be paid by you or your client, but are not considered your employee. The contractors you will need to hire will vary with every event. Some you will need most often are caterers, photographers, bartenders, entertainers, etc., depending on what services you will provide yourself. Always shop around and get references. Try to contact some of their former clients. If they are late or do not show up at all, you hired them, and you will be blamed. If the food or service they provide is poor, you will also be blamed for this. Research your contractors well; they will directly affect your business.

Hiring full time employees will take some time and planning on your part.

Before you start your search for the “perfect employee”, write down a job description. What will be the duties of the job, working conditions, physical demands, experience needed, education needed, anything

you feel is needed to perform the job you wish to fill.

From this job description, you should be able to create a classified ad. Keep in mind what requirements you want;



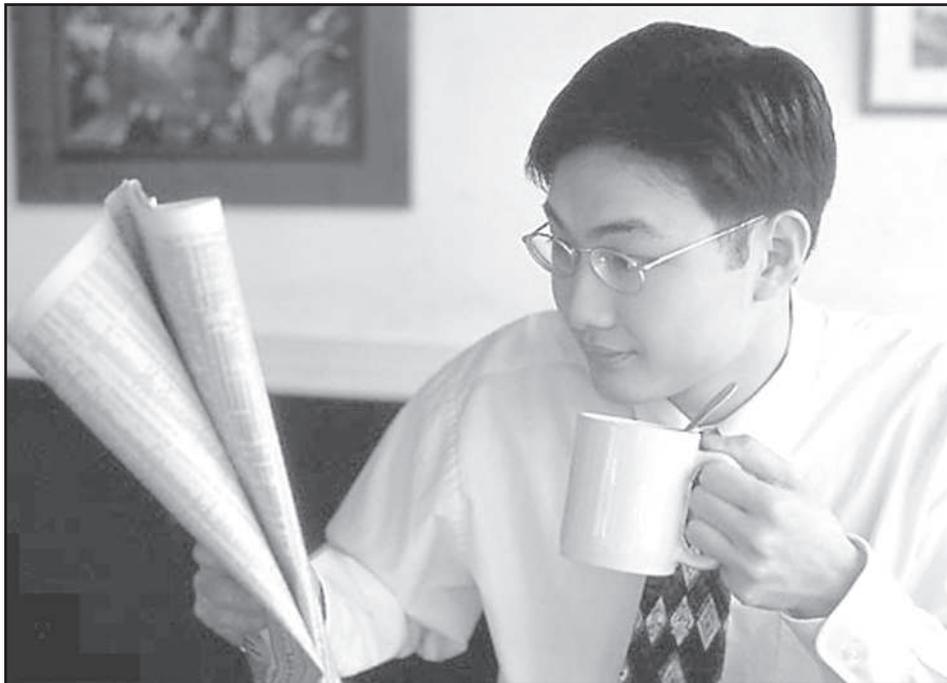
experience, education, etc. Do not include personality, you will be able to determine this at the personal interview. It is important to write the ad to attract the best people for the job, while keeping under-qualified applicants to a minimum. Do this by specifying requirements, i.e. 2 years minimum experience, or college degree required, or whatever you feel the job demands. To attract quality people, you must sell your company and the position through the ad.

Start with a title for the position. “Director of Marketing” is more likely to attract quality applicants than “Salesperson”. Even though they may be your only employee, you might be giving them full authority to direct your marketing efforts. Also, as yours is a growing business, this will mean more employees in the future and more responsibility for your marketing director, including people to direct.

Next, sell your company. You must be able to convince prospective applicants there are more advantages to working for your business than a larger, more recognized company. Sell the opportunities you can offer that they cannot, i.e. learning all aspects of the business, rapid

growth and promotion; and try to stay at or above current salaries paid by larger companies. Justify this by giving the employee more responsibility. He/she should enjoy the opportunity to take on more duties and will appreciate the trust you place in them.

Sample employment ad:



### DIRECTOR OF MARKETING

Fast growing event planning business is looking for someone to grow with it. Incredible opportunity to advance! Duties will include designing and implementing a marketing strategy, budgeting, tracking success of plan. Exceptional salary package! Requires college degree or two (2) years experience. Qualified applicants only please.

**Phone (123) 456-7890**

If you have a logo, use it in the ad. If not, make sure to include the name of your business in bold type. This adds professional image and a sense of stability to your company. Few quality candidates will want to take the risk of going to work for a company that may not be around next pay check.

Decide where you will recruit. College placement centers are a good source of applications, but the

experience will be limited. Employment agencies are another good source. This will also help you limit unqualified applicants. The newspaper or magazines will get the most responses, but you run the risk of having many more unqualified applicants. This will make your job more time consuming. Avoid hiring friends or children of friends if possible. Dismissing employees is hard enough. If the person is not performing up to expectations, you will most likely lose an employee and friends, or keep an employee who is hurting your business. Avoid putting yourself in this position.

The best way to do the initial screening is over the phone. This way you are able to determine quickly how many qualified applicants you have, and separate them from the under-qualified applicants. A couple of quick questions should determine this:

1. What is your degree in?
2. What industry is your experience in?
3. What attracted you to this position?

When you have narrowed your field to the most qualified applicants, it is time to hold personal interviews.

When the candidate arrives, it is a good idea to have them fill out an application with references. Also, request the applicant to bring a resume with him/her to the interview. Keep these where you can refer to them while speaking with the candidate. You should start the interview by explaining your business. Tell how you started out, where you are now, and where you plan the business to go. Next, explain the position you are looking to fill and where it fits into your plans for the future. It is important you be excited about your company and where it is going. Your enthusiasm will be contagious.

Your candidate should now be relaxed and ready to answer your questions. Ask open-ended questions and allow time for complete answers; do not jump into the next questions until you are sure he/she is finished. The most important thing to remember is to Listen!, Listen!, Listen!. Listen to what the person is saying and implying. Use your intuition and common sense. Look at the application. Why did the person leave his/her previous

jobs; is there a pattern? This is also the time to decide if the candidate's personality is compatible to the position and to your own personality. If your business is still relatively small with few employees, chances are you will be spending a great deal of time with whomever you choose to fill the position. Choose someone whom you feel you will be able to get along with. You may be looking for someone outgoing to do your marketing for you because you are not outgoing. This is fine, your personalities do not have to be alike, only compatible.

Give the person time to ask any questions he/she may have. Answer these as straight forward as possible. Do not mislead the candidate; if you promise things you cannot deliver, you will be starting the process all over again as the employee is likely to leave. This will cost time and money.

Write down the things the candidate said and your conclusions immediately after the interview. It is important you get these things on paper as soon as possible so you do not forget what was said and the impressions you had. When all of the interviews are complete, you may select an applicant or call a select few back for another interview. Take the time to find a good employee, they will be instrumental in your success. But remember, no employee is perfect; you will most likely have to make some concessions.

Once you have a good employee, it is important to keep them happy. There are entire college degree programs on employee relations. There is no way to go into all the different ways to keep moral up, proper ways to do employee appraisals, and so on. If your business is small, your best means to keeping employees happy is to simply ask them. Have an open door policy, make sure you are available to address problems as they arise and not when they come to you to quit. Praise employees for good work, let them know you appreciate the job they are doing. Be open to suggestions and give recognition for innovative ideas.

*You will have to decide what benefits you will offer.*

At the time of this writing, it is up in the air as to what you will have to provide in the way of medical insurance.



You should check with your local employment office.

Vacation is an important factor in keeping employees happy. A good employee also deserves some paid sick leave. Decide what you feel is a fair amount of paid time off, keeping in mind that flexibility is important.

The attitude your employees have about their job and working conditions will show, and your client will pick up on this when dealing with them. If your employees are happy, they will project a good image of your company and are more likely to deal well with clients.

We strongly suggest that you contact an attorney well versed in all employment regulations for your state. You will need to comply with all equal opportunity laws, tax withholding, fair wage laws, etc.

## CHAPTER SIX BOOKKEEPING

Keeping accurate records are essential to your business. There are several reasons to maintain records: you have on hand.

- Keep track of monies coming in
- Keep track of monies going out
- Show your financial situation to potential lenders/creditors
- RECORDS ARE REQUIRED BY LAW!

What type of system you set up to keep these records is up to you. If the system is too complex, you may have to spend considerable time keeping the records up to date. You want your records to be complete, but simple.

Some of the general areas you will need to keep records for:

### Sales

If you only accept payment upon completion of your service, your record keeping will be simple. A total of all paid bills will suffice. If you extend credit, you will need to set up an Accounts Receivable system to collect on outstanding bills.

### Purchases

Again, if you remit payment as you make purchases, your record keeping will be simple. A total of all payments will be sufficient. **\*PAY BY CHECK WHENEVER POSSIBLE.\*** This will further simplify your record keeping. Use your check register and cancelled checks as records. If you are extended credit for purchases, you will need to establish an Accounts Payable system.

### Inventory

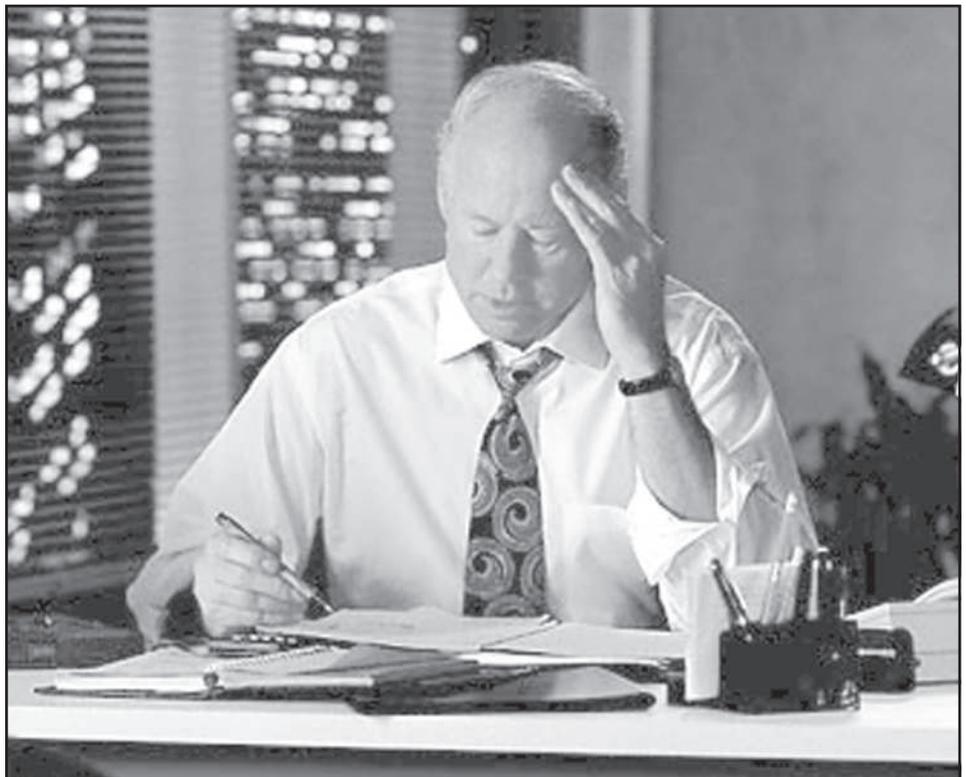
Depending on what services you will provide yourself, this area can be very important. If you contract for most or all of your services, inventory will be minimal. If you provide many services yourself, keep records of what

### Payroll

How complex your payroll system will be depends upon how many employees you have. If you are the only person operating your business and you are not incorporated, you are not an employee. Your earnings and losses will be reported as on your individual tax return. If you have even one employee, a payroll system will be needed. You must be able to keep track of payroll taxes and deductions accurately, or be subject to government penalties.

The specific records can be kept in the following:

### Sales Receipt Journal



This is a list of all monies coming in. An Accounts Receivable file should be set up for all customers you have extended credit to. A good system is to cross reference these accounts. Make a record of the customer's name, billing date, and amount due. File these alphabetically. A copy of the customer's record should



be made and placed in another file, corresponding to the age of the account; i.e. 30 days, 60 days, 90 days+. By doing it this way, you will be able to quickly figure out which accounts need your attention at month's end.

### **Cash Disbursement Journal**

This is a record of all monies going out (all checks written). An Accounts Payable file should be set up if you are extended credit by your suppliers. Make a file for each supplier who extends you credit. Include total bill amount, payments made and the amount due. It is important to keep these up to date. Falling behind in your bills reflects poorly upon your business and may effect your ability to obtain credit later. Make sure bills are paid at 30 days, or at whatever payment due date arrangements have been made with your creditors.

### **Payroll Journal**

This is a summary of payroll information. The manual, one-write system is usually sufficient if you write relatively few checks per month. This system allows you to write the payroll check and update the employee's payroll card at the same time. This amount is also entered into the payroll journal and general ledger at the same time.

Personnel files should also be kept for every employee. Information contained in each file should include withholding information, deduction authorization, taxation rate, pay rate, pay dates, etc., as well as general

information on the employee: name, address, social security number. There are a number of records required by the federal government. Your accountant should be able to advise you of all records you will need to comply.

### **General Journal**

This is used to record transactions that do not fit into other categories, such as depreciation expense. Unusual or infrequent transactions can be recorded here as well.

### **Fixed Asset Ledger**

You should prepare a report of all the property owned by your business. (Do not include leased equipment. Payments on these will be listed under Cash Disbursement.) Include all property that can be depreciated. Establish a minimum price for assets which will be capitalized. The rest should be recorded as an expense, (stapler, inexpensive calculator, etc.). Records for your property will need to include the following:

- Description of item and identification number
- Date acquired and suppliers name
- Estimated useful life
- Purchased new or used
- Total cost of purchase
- Depreciation method
- Depreciation per month
- Accumulated depreciation to date

### **Inventory Control**

Create a record containing every item in stock, including date of purchase and price. You should physically count items in inventory on a regular, periodic basis. If you maintain a small inventory, twice yearly should suffice. In businesses with large inventory, you may consider quarterly inventory; or monthly. Verify that your records reflect the actual amount of inventory in stock, or adjust your books accordingly.

### **Bank Account Verification**

Someone other than the person writing checks or maintaining journals should prepare the Bank Account

Verification. Use this record to confirm the balance of the account agrees with income and expenses. This is in essence “balancing your checkbook”, and should be done monthly.

### Chart of Accounts

Each account should be issued a number and listed here. This chart will serve as the index for the General Ledger.

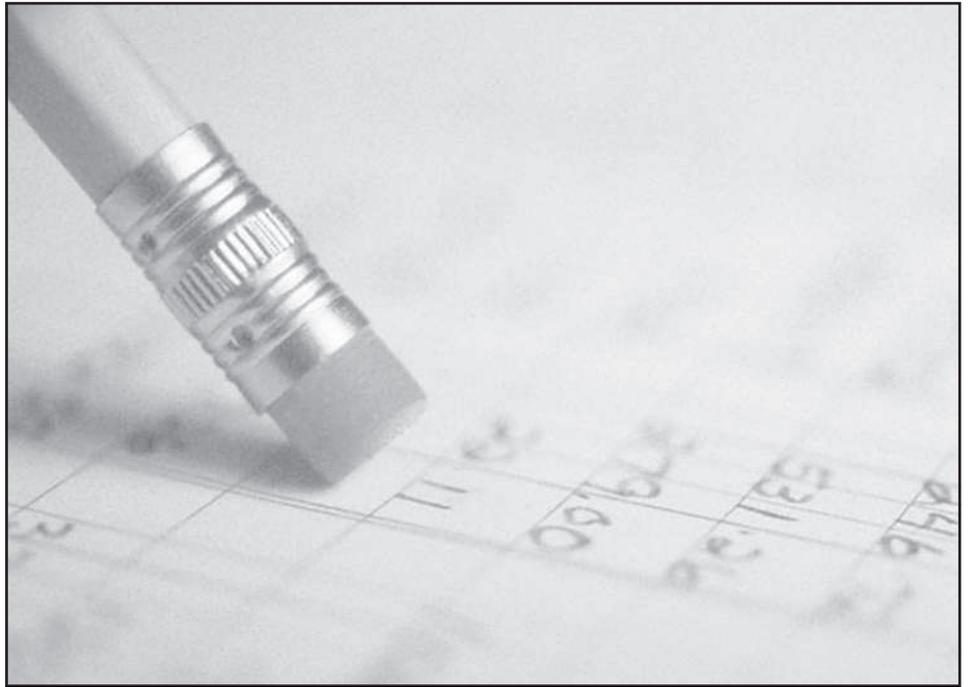
### General Ledger

This will contain all accounts of the business. List all account balances from the various journals at month’s end. The total of all accounts will reflect the balance of the General Ledger. A financial report can be prepared from the information in the General Ledger.

Now that you are aware of what records need to be kept and a format for keeping them, you must decide to whom the bookkeeping chores will fall. If your business is small with few or no employees, you may decide to keep the books yourself. Keep in mind that record keeping, even in the simplest form, requires time. If most of your time is taken up running your business, you may want to consider other options.

If your business is small and the record keeping system you have set up is fairly simple, you may need to hire a bookkeeper. This can be done by hiring an individual as your employee, or hiring a bookkeeping service. Bookkeeping services compile cancelled checks, receipts, payroll information, etc. and prepare a financial statement from these. Again, a bookkeeper or bookkeeping services should only be employed to handle simple operations.

If you have a complex record keeping system and/or several employees, an accountant should be retained. Unless you are thoroughly familiar with every aspect of bookkeeping and taxes, an accountant should be employed to set up your record keeping system and calculating your year-end tax returns, even if you have a



simple system.

An accountant will probably be the most important source of advice for you. Find a certified public accountant (CPA) who is well versed in small business issues. He/she should be an expert in laws that will effect your business. A CPA also can advise you on aspects such as investments, and growth potential of your business. Your profits can be reduced substantially or even wiped out completely if you have to pay penalties to the government for improper bookkeeping.

There are also ways of insulating your business. Establish a record keeping system that lets you easily keep track of where your money is going. And, if you have a question which relates in any way to your financial situation, ask your accountant.

## CHAPTER SEVEN

# TAXATION

Withholding and paying taxes is probably the most intimidating part of owning your own business. If you keep proper records and know what you will be taxed on, you should have no trouble complying with the tax laws. As we touched on in different sections, an accountant is an invaluable asset to your new business. In the area of taxation, this is doubly true. He/she is an expert in this area and should be current on all new tax legislation. As you are probably well aware, this legislation is constantly changing. You will need to stay in touch with your accountant and keep abreast of what is expected of you, in terms of taxation.

You must obtain an Employer Federal Tax Number from both the federal and state governments. You will be sent your numbers, along with various forms and

FICA or Social Security tax requires the employee to pay a percentage of his/her wages, and the employer to match this amount. Again, the IRS will include instructions for withholding and depositing the correct amounts.

Several forms must be filed with the IRS pertaining to the amount of deductions taken:

Form 940	Unemployment tax, filed annually
Form 941	Wage tax, filed quarterly
W-2	Wage tax, filed annually
W-3	Total of quarterly taxes with held, with annual totals.

All of the above mentioned form numbers are federal.

If your state has payroll taxes, they will send you similar forms with your state employer number. These forms pertain to your employees only. This will include you, if your business is incorporated.

In the meeting planning business, you will most likely have several Independent Contractors working for you. You will be required to file a separate form (1099) for every independent contractor you hired during the year. Information you will need to indicate on the form includes: name (company and/or individual), address, social security number, federal tax number, and the total amount paid.



instructions on filling them out. (Some states do not have a state income tax, therefore you will not be sent a separate number and forms for withholding.)

Federal income tax is withheld from every paycheck. The amount of withholding is determined by various factors. The IRS will include with your tax number, the W-4 form. This form is where your employee will claim his/her tax exemptions. Along with this, the IRS will include a table to determine the percentage to withhold. The percentage will be based on the amount of wages earned and the payroll period; i.e. weekly, bi-weekly monthly, etc.

Retain all invoices/bills the contractor has submitted for your records. In some cases, the IRS will investigate to confirm the independent contractor should be treated as such and not as an employee. If they determine he/she should be treated as an employee, you will be responsible for payroll taxes, penalties and interest. If you limit who you consider independent contractors to caterers, entertainers, etc., you will be well within the law. Be sure, when hiring temporary or part-time help, if they are your employee, treat them as such and pay the applicable taxes.

If your business is a sole proprietorship or partnership,



you will be taxed individually. You must estimate and pay taxes on a quarterly basis and at year's end. You will need to file form 1040 ES quarterly, and whatever applicable individual tax return form at year's end.

If your business is a corporation, it will be taxed separately from you. You must file a corporate tax return, form 1120. As we discussed in the Legal Requirements section, this is where you are double taxed. Taxes on the dividends you are paid by the corporation are currently at 15% for anything under \$50,000. This is why, if you are the only stockholder, you may consider raising your salary as an employee to reduce or eliminate corporate profit. This way you pay tax only once, on your individual tax return.

Some states will have additional taxes which you are subject to paying. Some of these include Transaction Privilege Tax (Sales Tax), Use Tax, Primary or Secondary Property Tax, etc. Contact your state Department of Revenue for further information.

As you can see, there are plenty of taxes. There are also many tax deductions, if you know what you are eligible to claim. Your accountant will be able to help, but only if you have records and receipts to back up your deductions. Here are several expenses you will want to keep the documentation for.

As we discussed in the Office Facility section, you can only deduct rent/mortgage if you use the area of your home/apartment exclusively for business. The amount of

rent/mortgage works something like this: If you have a 2000 sq. ft. home and you use one room of 400 sq. ft. exclusively for your office, you can deduct 20% of your rent/mortgage. If your rent is \$500, you may deduct \$100. Or if you have a six room home and you use one room exclusively as an office, you may deduct 1/6th of your rent/mortgage. If the rent is \$500, you may deduct \$83.

All of your expenses related to operating your office are deductible. These will include:

- Rent-in the home/office, as discussed above
- Telephone - only a portion if it is the only line into your home/office
- Utilities - electric and/or gas for heating, air conditioning, water, sewer, etc.
- Salaries - paid to your employees, consult your accountant on payment to Independent Contractors
- Professional Services - consultation with your attorney and accountant
- Membership Dues - dues paid to professional associations and for certification in your field
- Subscriptions - for professional and trade publications and magazines
- Equipment - payments on leased equipment and depreciation on equipment and furniture you own (computers, desks, etc.)
- Insurance - premiums you pay to cover certain risks associated with the operation of your business

These are just some of the deductions. They include expenses directly related to running your office. These should be relatively simple to maintain records for. There are other costs you will incur that are perfectly acceptable to take deductions for, but documenting them will take more work on your part.

Whether you purchase or lease a car, specifically for your business, or use your personal car for business purposes, you are entitled to deductions. If you lease a car for your business, a sizeable portion of the lease payment will be deductible. If you purchase a car or use your own car, you are entitled to a depreciation and mileage deduction. There are various ways to figure your deductions on automobiles. Some ways require more record keeping on your part than others. Discuss with your accountant which way will be most beneficial to you.

You will more likely be “entertaining” clients to help sell your business. Expenses you incur in doing so are deductible. You must document these expenses thoroughly. Find a method of documentation that works for you. If you carry a day planner, this is a very good place to write your expenses and retain receipts. In documenting entertainment expenses, you will want to record the following information:

- name and occupation of person your are entertaining
- reason for expense (what business took place)
- amount
- date

A sample in your day planner could be: *Joe Jones, Corporate Sales Manager, IBM, Finalized plans for event on June 4, 1995. Lunch. \$18.78*

Keep all your receipts in one spot. You might want to write the date and a small note on the receipt.

Travel expenses are deductible when directly related to business. Deductions may be taken for the cost of seminars and conventions, air fare, bus fare, cab fare, lodging, meals and tips. Again, documentation is very important. You must retain all applicable receipts and some type of verification that the trip was for business. (Seminar; program, name tag, etc.)

Retain all your records for at least three years. The IRS has that long to decide if they want to audit you.

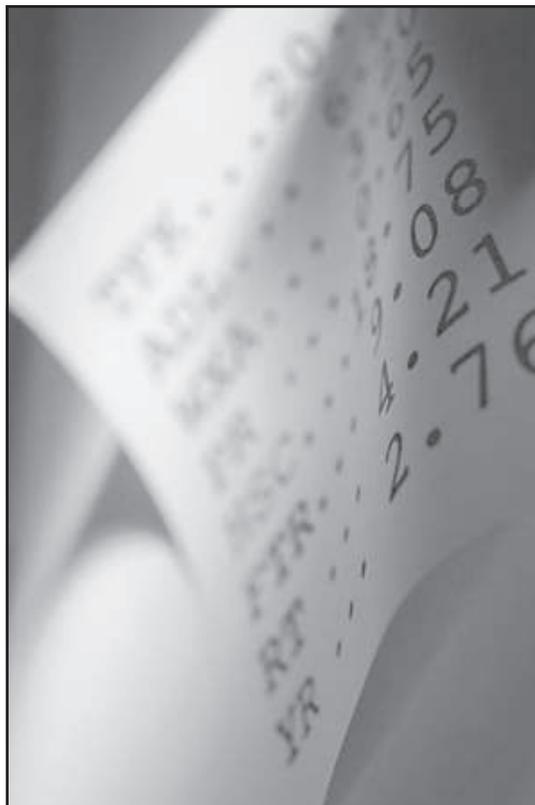
Tax laws are very complex. They were written that way to provide options, but you must know what options are available and plan in advance to use them to your advantage.

If you know you will be needing a new copier in the near future, plan ahead to purchase it at the end of the year. If you purchase and use the machine only a few days before the end of the year, you are still eligible to deduct the same amount as if you used the machine for the entire year.

Incurring expenses solely for deductions is not always a good idea. If your accountant tells you that you need more deductions, make sure the cost of the expense will be less than the amount you will be paying in taxes. In other words, do not spend \$500 to save \$50.

In some areas of the country, a meeting planning business will be busier certain times of the year. This can create a roller-coaster effect in your income. Use quarterly estimated income returns to your advantage. Estimate low for your slow times. There is no penalty for paying more one quarter than another. The only figure the IRS is interested in is the final total of income tax withheld. As long as the final amount is correct, the IRS does not penalize you for paying a large majority of your taxes in any one month or quarter. As your business becomes more established and you have previous years to help you plan, this option will be more beneficial to you and your business.

We cannot stress enough how important a good accountant will be to your business. There are many tax options available to small business owners, the problem is knowing what they are and understanding how to use them to your advantage. Find an accountant who is an expert in all aspects of small business. He/she will be one of your most valuable assets.



## CHAPTER EIGHT

# PLANNING FOR SUCCESS

Before you decide to start your own business, you must be made aware that a very large portion of new businesses fail. There are various reasons for failure. Take the time to think your business through, addressing all obstacles you may encounter and ways to negotiate them.

You should develop a strategic plan for your planned business. This plan will lay out your goals and objectives, measures you will take to reach goals, and assets your business will need.

Ask yourself these questions:

•What are the strengths of your business?

Weaknesses?

•Do you know the industry?

•Who are your competitors?

•Are they successful?

•What element makes them successful?

•What are their strengths?

Weaknesses?

•Who will your customers be?

•Are they satisfied with what is currently being offered?

•Is the industry as a whole growing?



The answers to these questions should provide you with valuable information. Your specific plan is not the most important thing you will gain from answering these questions. They will force you to gather information, gain knowledge about the industry and who occupies it, and decide whether your initial goals are attainable and what resources it will take to get to your goals.

The business plan is generally more detailed than a strategic plan. A business plan can be very valuable in planning your goals and finding options. The primary use of a business plan is to obtain financing or investment. It is the way you will present your company and its goals to potential lenders or investors. If you are using your business plan for your internal use only, you may omit the business history section. We highly suggest you prepare a business plan, even if you plan to operate your business as a sole proprietorship using your own funds for financing.

A large number of companies, both starting out and established, have found business plans that follow something similar to the following format to be the most effective.

### Executive Summary

This will be a summary of key elements of your plan. Tell them what you will sell, to whom, and why they will buy from you instead of your competition. Tell them what

your financial situation is, your projections for the next five years, and what your financial requirements will be at specific times. Include your sales and profit, and return on current investments. State how much capital you need to start or expand, what you are offering as collateral, and specify what the capital will be used for and when it will be needed. Inform them of what it is that makes your business stand out; special skills you or your management team have, location of your business, certain niche in the market, etc.

There are different ideas on length of this section. Some recommend two to five pages, while others feel it should contain all the above information and still be less than one page. The important thing is that it captures the reader's attention and persuades him to read on. If it does not, you have lost the investor.

### Business History

This section will give the potential investor a background of your business. Include the founders of the company, what their experience is/was, when they started the business, how far the business has come since then, and what role each played in its progress. You also need to inform potential investors what legal type of organization your business is (sole proprietorship, corporation, etc.). If other than a sole proprietorship, tell them who the owners or investors are, who owns stock, how many shares are outstanding, if you have sold equity in your business, any outside source of financing. Include loans and investments as well as other obligations the business may have.

This section should be no more than one page, unless your business has a lengthy history. If your business has a very short history, mention reasons you feel you will be successful, and expand on those reasons in detail in other sections of the plan.

### **The Product**

This section tells what you will be selling. Discuss your service in detail. Briefly mention what advantage you have over the competition and why customers will choose your business. We will expand on this in another section. If you are providing only the planning part and contracting for the food, entertainment, etc., you must explain why using your business is more desirable than planning an event on one's own. Use your knowledge of the industry; who is the best caterer, negotiating with suppliers to save money, etc.



The length of this section will depend on what services you will be providing yourself. If you will be providing the food yourself, providing a sample might be effective. Include in this section all licenses you have to provide your services; i.e. liquor license, health inspection, etc.

### **The Market**

This section will be very beneficial to you as well as the potential investors. What is the overall market and what niche do you fill in this market? The information you found out in creating your strategic plan will be very useful. The questions answered there will help you in putting together your market analysis. Your analysis needs to cover the following areas:

- Who are the customers?
- What has been the industry growth over the past five years?
- Is your market regional, national or international?
- How will you sell your service? (Direct mail, referrals)
- What is the deciding factor in purchasing your service? (Saves time, price, service, etc.)
- Will your business be seasonal?

As stated earlier, this section will be beneficial to both you and the prospective investors. The market analysis is essential in determining your marketing budget and what method will be the most effective in reaching your target group.

### **Competition**

If you are just starting your business, you will be facing competition that is more well known and has more resources to draw upon. You should also consider competition from new businesses, like yours, that are likely to arise. Do not underestimate the strength of your competitors, or over estimate your strengths. Develop a realistic view of your competition. Estimate the market share you hope to capture and how you came to these conclusions. Also, try to judge how the competition will react to your entering the market and how you will respond. Investors are more inclined to back a plan that is

realistic. This projects the idea that you have done your homework and know what must be done to gain market share.

The length of this section depends on how extensive your market research is. If you have many competitors, identify each, along with its strengths and weaknesses. If the market is changing rapidly, be sure to consider the newly emerging businesses. Do your homework and present your findings accurately.



## Marketing

You know what your target market is and who you are competing for it with, now you must devise a plan to deliver your ideas to the consumers. Investors will want to know that you can convert your marketing plan into profits. Some points to address are as follows:

- How will you price your services? How does it compare with the existing price structure in the market? If you add 12% to the cost of service and most of your competition adds 15%, how will this effect your profit projections? How will the competition react?

- What method will you use to promote your business? You will need to make the public aware of what you are offering. How will you do this? Will it be cost effective? Do you have a system to track your advertising and its effectiveness? Where will you concentrate your efforts and why? How much have you budgeted for advertising and how did you arrive at this amount?

- Include in this section your plans to follow up. Getting feedback from clients is important. This will allow you to redirect your marketing if needed. Ask clients how they heard of your company and if your advertisement is effective. Also, follow up on your marketing. Explain your system for tracking and redirecting your marketing if it is ineffective or the market changes somehow.

Your marketing plan is essential to the success of your business. This section is one of the most important. Show the potential investors what you have done thorough research and have a definite strategy to marketing.

## Operation

Efficiency is important in any operation. In your business, you are being hired to save time. Explain your operation process and its limits. Know how much business you can handle, or how much you expect to be able to handle if you receive the investments to expand. You should also explain your availability of services. This means having several contractors and back-ups

you can call on short notice to handle problems that may arise. Under ideal circumstances, most all business would run smoothly. Show the investor you have a plan in place to deal with problems, as they will inevitably come up.

## Management

This could be the single most important thing the investor looks at. Include a job description and detailed resume on each employee you have. List what experience and qualifications each person has and any awards they have received. If you have positions you are still looking to fill, include education and experience requirements and the compensation package you will be offering. You want the investor to have confidence that the people you have in place give you the resources you need to succeed and a competitive advantage.

## Financial Outlook

In this section you must put a number on the projections you have made in other sections of the plan.

You should forecast for the next five years. You should include your company's past balance sheets, profit and loss (P&L) statements, and how/where you received funding. Include your current financial statements as well. You will need balance sheet projections for the next five years, and P&L and cash flow projections on a quarterly basis for the next two years. You may want to include P&L and cash flow projections for the following three years, on an annual basis.

This part of the plan is where you will want to tax planning ideas, accounting methods; including accounts receivable, bad debts, expenses, taxes and your market share assumptions.

Financial projections should be realistic. If your projections are much greater than past performance, you must include substantial basis for this assumption, or investors will be highly doubtful of your conclusions. Consult with your accountant when making financial projections.

Obviously, putting this plan together will take some time. Spend some extra time to make the plan look professional and presentable. Use visual aids whenever possible. Tables and charts are easier to understand than pages and pages of explanations. Include a Table of

Contents and tab each section mentioned there. Also include a title page with the name of the business, name(s) of its owners, and phone number. If you have a logo, include it on the title page. Use a three-ring binder to hold the plan.

When you complete each section, read over it carefully. Make any revisions needed as you go. Give the section to a person who has successfully attracted investors with a business plan and ask "would I invest in this business?" If you cannot answer "yes" without reservation, your plan needs revision.

## CHAPTER NINE

# WHERE TO FIND FUNDING

Starting a new business takes money. Where should you go to get the money? There are a few options, depending on your situation. We will discuss several here. Your accountant may also be of some help in this area, if he/she is an expert in small business.

### Use your own money first.

Your money is interest free. By using personal funds, you avoid having to pay back interest. Depending on the interest rate and length of the loan, you could be paying several times the original loan amount. Your money is also available as needed. If you obtain financing from other sources, they will usually want to know exactly what the money is being used for and when it will be needed. If your plans change and you need the capital sooner than expected, you will be able to get your own money, where you would otherwise have to wait for a loan/investment disbursement. If you can finance your business without outside investment, you do not have to give up part of your business in equity or stock. You will maintain sole ownership and therefore all management control.

### Credit Cards

You may want to consider using credit cards to raise capital quickly. Credit card interest rates are coming down, but most are still very high. If you expect your business to pick up rapidly after the influx of capital, you may be able to pay the card company back before incurring large interest charges, or apply for a loan from the bank when your business is established. The bank loan will allow you to pay the card back and receive a more desirable interest rate.

If your funds are not sufficient to start your business, here are several sources you may want to consider.

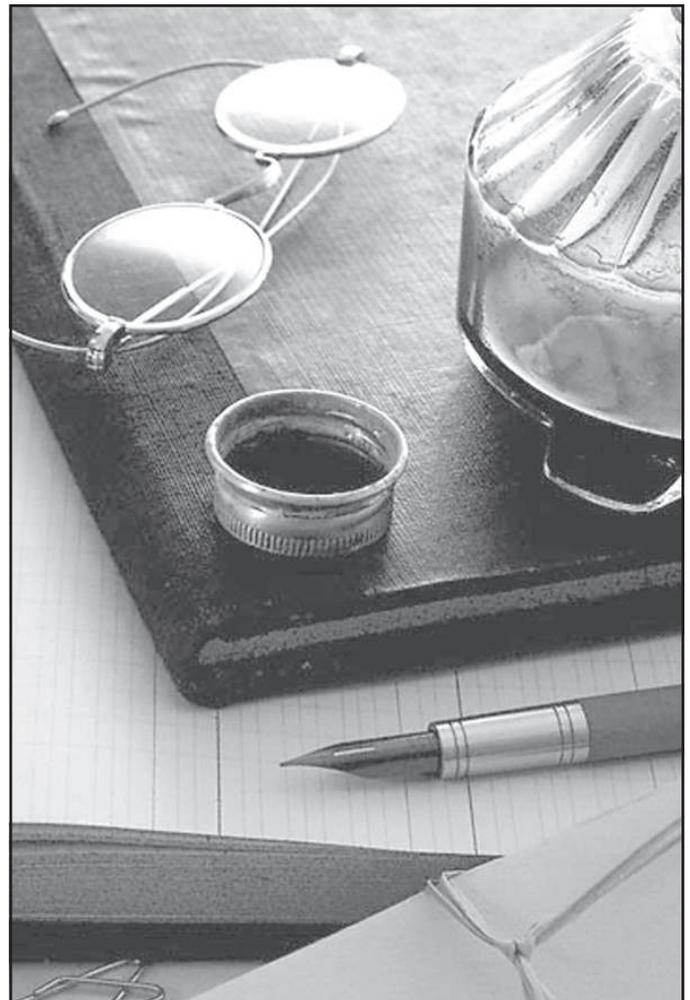
Friends and family can be an excellent source of financing. It is very important that you define the terms of repayment in writing. This is a loan and should be treated as such. You may want to consider having an attorney draw up a loan agreement acceptable to both parties. This way, there is no misunderstanding and both you and the friend or family member who loaned you the money, are clear on the terms. This will protect their money, as well as your business.

The following situation could arise: Someone comes

to you years down the road when your business is thriving and has expanded several times and claims they own part of your business because they gave you a start-up loan and they therefore have a certain portion of equity in your company. Avoid this. Have an agreement drawn up. The reason for approaching friends and family is your ability to use your history with them as collateral and not have to give up equity in your company.

### Bank Loans

When you think of borrowing money, you most likely think of a bank first. Any bank will require some type of collateral before issuing a loan. Most will also want to know what the money will be used for, and may want to see your business plan. You may be able to use your credit with the bank to obtain a personal or "signature" loan. The amount you will be able to borrow will depend on your credit rating and your relationship with the bank. An average would be anywhere from \$2,000 to upward of \$10,000. These loans usually have a short pay back period





and moderate to very high interest rate. If you use your savings account as collateral instead of your credit, you can decrease the amount of interest you are actually paying. The money in your savings account will be earning interest while you are paying on the loan. If your loan is at 10% and your savings account earns 5%, you will be paying the bank 5% and paying yourself 5%.

Commercial loans are also available to business owners. This type of loan requires some form of collateral, most banks will allow stocks, bonds, real estate, equipment, or your personal credit, depending on the amount of the loan. Commercial loans are normally very short-term and are repaid lump sum at the end of the loan. A finance company will take more risks than will a bank, but with the risk comes higher interest rates. These finance companies will deal more directly with investors. Investors will be more interested in the potential of your business and collateral than your personal credit. If your credit is sufficient and the bank will make the loan, this route will be more desirable than using a finance company.

### **Use of Investors**

If giving up a portion of your business is acceptable to you, selling equity is an option. Investors put money into your business and may or may not contribute to operating the business. They receive no guarantee of getting their investment back, only a portion of the business. There are factors you must consider before entering into this type of agreement. You will give up some control of your business and management decisions. The amount of control you relinquish is determined by the value of the investment.

The amount of profit the investor will receive is also based on this. Depending on what legal type operation your business is, you may be responsible for the actions of the investor, as he/she will be a partner. If he/she goes into debt, so will you and your business. An attorney should draw up an agreement that specifically states the equity an investor will receive.

### **Small Business Loans**

The Small Business Administration is also a source of funding. Their guidelines are very stringent. They will not make a loan if the business is able to obtain

funding from any other reasonable source. The business must be independently owned and operated. When you submit your application, your business will be put into an Industrial classification. This is the basis SBA will make its decision on. Contact the SBA and request a copy of its Standard Industrial Classification Manual. Determine which area you feel your business should be classified in and has the best chance to obtain financing in. SBA defines what can be used as collateral:

- Land/Buildings
- Equipment/Machinery
- Real Estate-Personal Endorsement (someone willing to pay off the loan if you default)

This is a broad overview of SBA's requirements. They are very selective and it is difficult to obtain a loan. If you plan to see funding from the SBA, gather as much information as possible on filling out your application.

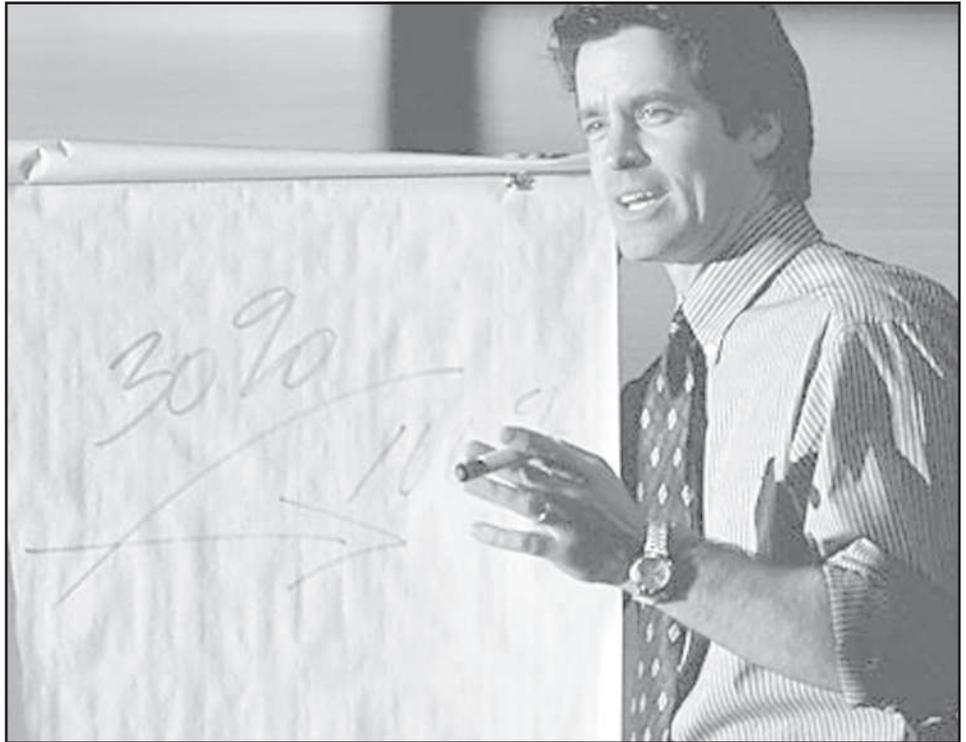
## CHAPTER TEN

# MANAGING YOUR ASSETS

Assuming you have the capital needed to start your business, you will want to make sure the capital is going to work for you. After the start-up period, you will want to continue your financial management to explore ways your increased profits will produce most effectively.

### Liquid Assets

This is cash on hand. It is collected sales or investments that can be cashed in on a short term basis. To maintain a positive cash flow, your liquid assets must meet or exceed your current expenses. Plan in advance to meet your expenses. If your business is seasonal or sporadic, you may need to borrow money in the off-peak times.



### Operating Expenses

Know what your expenses will be month-to-month. Payroll, rent, utilities, taxes, etc., all will need to be met on time, every month. By keeping track of your liquid assets, you should be able to recognize problems far enough in advance to correct them.

### Debt Management

If you require financing from any source other than your own to start your business, you will need to determine how you will repay the debt. The amount of payment required and when it is due will help you establish if your business should take on the debt, and if money will be available for the payment on the debt.

### Accounts Receivable

If you have made a tremendous amount of sales, but never get paid for them, you are wasting valuable time and assets. Deal with A/R early. Let the customer know you are aware of the unpaid bill. A polite phone call or letter at 30 days will usually handle bills the customer has

simply forgotten about. If the first letter or phone call brings no response, send another bill with a short, still polite letter. Follow the first letter with two more, usually two weeks apart, each less courteous. If the bill is 90 days overdue, you will want to contact the person by telephone. Explain to the person that you delivered a service and just wish to be paid the agreed upon amount. It is now no longer a sale, but a bad debt. If the person offers to send a check, and you live in the immediate area, offer to come by his/her location and pick the check up. Tell them you planned to be in their area anyway. If the person still declines to pay the bill, explain the collection procedures you will take. Collection procedures vary and some are expensive. If you employ an outside agency to collect the debt, you will be giving up a sizable portion of the collected funds. If you employ an attorney, you will risk paying his/her fees whether the debt is collected or not. Consult your accountant on the best method for debt collection.

### Break-Even Point

It is important to know how much money is required to meet your monthly expenses, especially in the beginning stages of your business. First, add up all of your monthly expenses. Costs that remain the same every month: i.e. payroll, utilities, rent, debt payment, etc. Next, add up

your overhead for events planned. This will include all costs associated with putting on the event, except for your profit: i.e. caterer, entertainment, rent for the site, etc. Adding these together will produce your break-even point. It is possible to ascertain now many events you will need to plan to meet your break-even point. If your monthly expenses are \$1,000, and your average event costs \$1,000 for services; to which you add your percent for profit, (assume 15%) \$150, making your average event price \$1,150. Break-even equals Expenses (\$1,000) divided by Profit (\$1,150-\$1,000=\$150.) In this case you would need to perform seven (6.66) events at \$1,150 per month to break even. Keep in mind that cost of service, and therefore your profit, will vary with each and every event.

### Balance Sheet

This is a list of your assets and liabilities. Assets will include both liquid and real assets; i.e. cash, A/R, inventory, as well as equipment, property, etc. Liabilities include short term and long term. Utilities, rent, payroll, accounts payable, etc., are short term liabilities. Mortgage, outstanding debt, etc., are long term. Capital, or equity, equals Assets minus Liabilities.

### P & L Statement

The profit and loss statement is simply that; your business made a profit or sustained a loss. Subtract the total amount of money that went out from the total you took in. If you spent more than you took in, you sustained

a loss; and if you took in more, you made a profit. If you are making a projection for your first year P & L, you have to make some assumptions. You should have a good idea of how much money will be going out. To project your income, estimate how many sales per month you plan to do; (if you know your business will be seasonal, you may want to estimate yearly sales and divide by twelve); and at what average dollar amount. Your business plan will help. Use the information you have to determine your projected market share, and a competitor of similar size to determine an average dollar amount per sale. Apply the same equation to the projected figures to give you a projected profit or loss.

### Banking Needs

Finding a bank that will best service your needs is important. The closest or biggest bank is not always your best option. The larger banks will probably offer every service you will need, but it will most likely be impersonal. Call various banks in your area. Some banks will specialize, or have a department that specializes, in small business accounts. Try to talk to someone as high up as possible. Explain your situation and needs and ask questions. Do you have to maintain a certain balance in your account? Does the bank hold checks for deposit, or will your account be credited immediately? Are there special restrictions on small business loans your bank offers?

If you are able to develop a familiarity with someone in a decision-making position, chances are better you will be approved for a loan, if and when the time comes. Open a separate business account. This requires some individual information as well as your federal employer number and DBA or Articles of Incorporation.

Once you have found a bank you are satisfied meets your needs and you have a working relationship with an executive, try not to change banks.



## CHAPTER ELEVEN

# ESTABLISHING YOUR SERVICES AS A MEETING PLANNER

Clients may vary in the internal resources and capabilities of their organization, volunteer or staff capacity, planning experience, negotiating ability, creativity and resourcefulness, interest in being involved, and a host of other factors.

By establishing services in the format of a “menu” from which to select, meeting planners can offer services to a broader range of clients. Some clients will select a full package of services, while other will require help only in specific areas. Also, the menu approach enables meeting planners to work with clients at virtually any stage of planning. In other words, one could be hired to begin with site selection and initial planning, or one could be hired merely to manage an event on-site. This flexibility enables a planner to approach a prospective client at any time during the planning cycle.

The goal, of course, is to cross-sell, offering as many ideas and services as a client could possibly be interested in. For example, a meeting planner who is hired to plan and manage hospitality functions as part of a conference, could suggest ice carvings in the shape of the organization logo. Another example is to suggest hiring a photographer to photograph an awards ceremony. These services may be paid for by client fees or by commissions from suppliers, or both.

Suggestions of services for meeting planners who offer a full-service menu include:

### Meeting, Convention and Tour Planning

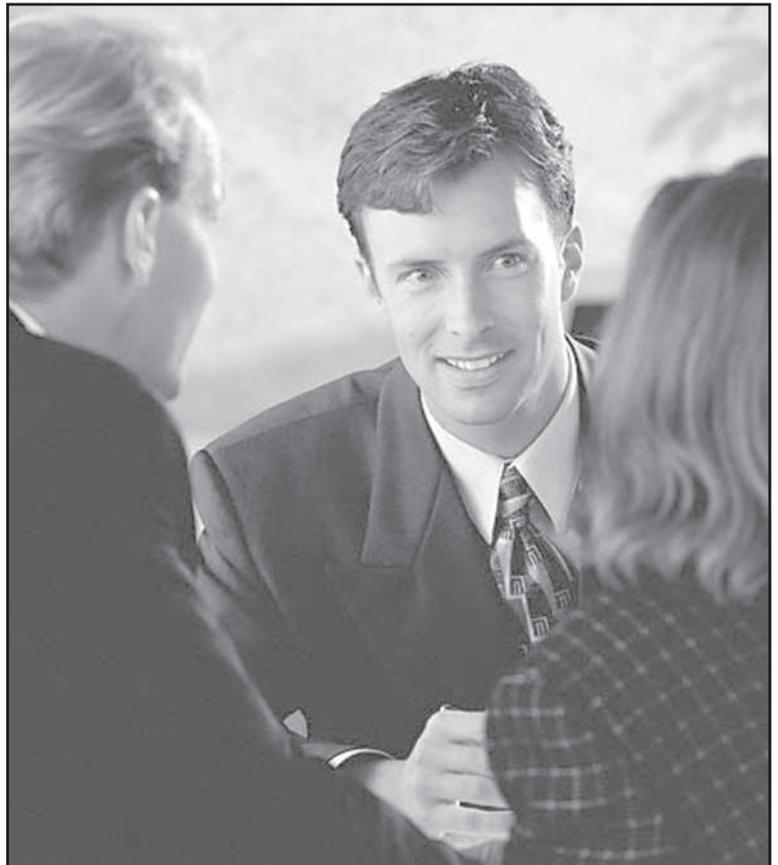
- Site inspections and selection
- Hotel or conference center negotiations
- Union negotiation and liability insurance review
- Hotel amenities and VIP services
- Meeting room evaluation and set-up
- Program and theme development
- Budget development, expense auditing and accounting
- Speaker arrangements
- Food and beverage planning
- Handout, workbook and proceedings development/printing
- Audio-visual equipment
- Secretarial, badge and on-site registration

services

- Exhibit and display coordination
- Hotel liaison
- Meeting evaluation

### Creative Offerings

- Promotion and publicity
- Graphic design and illustration
- Gifts, awards and recognition products
- Partner/spouse and youth programs
- Photographers
- Flowers and ice carvings
- Balloon sculptures, archs and drops
- Pyrotechnics and laser shows
- Entertainment
- Theme parties and special events with full props and decor
- Local tours
- Sports and recreational outings
- Theater and cultural events, dine-arounds



## Site Management

- VIP handling, room gift arrangement
- Sleeping room inspection
- Registration, hospitality desk and meeting room setup
- Food and beverage function supervision
- Off property function management
- Audio-visual equipment coordination
- Check-in and check-out procedure supervision
- Hotel Staff coordination

## Travel

- Incentive programs
- Group tours
- Discounted air travel
- Discounted air cargo
- Ground transportation
- Tour escorts

## MARKETING:

Key issues in marketing include developing one's corporate image, establishing a market niche, spreading the word, advertising, generating leads from suppliers, using the media, teaching and volunteering.

### Developing a Corporate Image

Whether establishing an independent business, working in a corporation or association, or developing a new department in a travel agency, meeting planners need to consider their image and that of their organization.



Meeting planners project their images through a variety of means, including company name, logo, corporate colors, brochures, and other written materials, letterhead, name tags, boxes for client gifts, style of dress, make of car and descriptions of themselves and their organizations. Effective marketing requires attention to the perceptions of prospective clients in the target market. In other words, select corporate colors for the image they portray to your target market - not simply because you like the colors. Similarly, dress according to what looks professional, but appropriate to your client; a three piece suit will not look appropriate to a high school band director, who most likely will be dressed in a dress shirt and slacks.

Once your corporate image has been determined, carry the theme consistently throughout all visible aspects of your business - right down to the quality of paper on which you print letterhead or brochures. Theme party planners will want to select a name, logo and colors, develop materials that are colorful, festive, party-like and celebratory. On the other hand, meeting planners who wish to appear established and professional will want to choose a more traditional, classy and "corporate" look, while maintaining their own personality and flair.

### Establishing a Market Niche

In establishing your niche in the marketplace, consider what you know and who you know. For example, if you have worked in a university setting, played in a band, and have friends in non-profit organizations, you might start with college and university groups, musical performing groups and non-profit association conferences. If, on the other hand, you were a sales representative who loves sports, you would, logically begin your marketing and sales efforts by looking for sales meeting and athletic association conferences to plan. Doing what you know and love provides a logical avenue for getting your foot in the door in a particular field. That approach, together with a genuine interest in learning about others' professions and about your client's work, specifically,

will help you to establish yourself as an “expert” in planning meetings in a certain field.

### **Spreading the Word**

Effective marketing means “spreading the word” to people you know: family members, friends, neighbors, doctor, lawyer, accountant, real estate agent and so on. Most people or their spouses are members of a trade or professional associations or social or fraternal clubs that hold meetings, and participate in meetings at work, as well.

Tell them that you are a professional meeting planner and manager, and that you’d like to help. Ask if they have meetings, who plans the meetings, and who would be appropriate to contact.

### **Advertising**

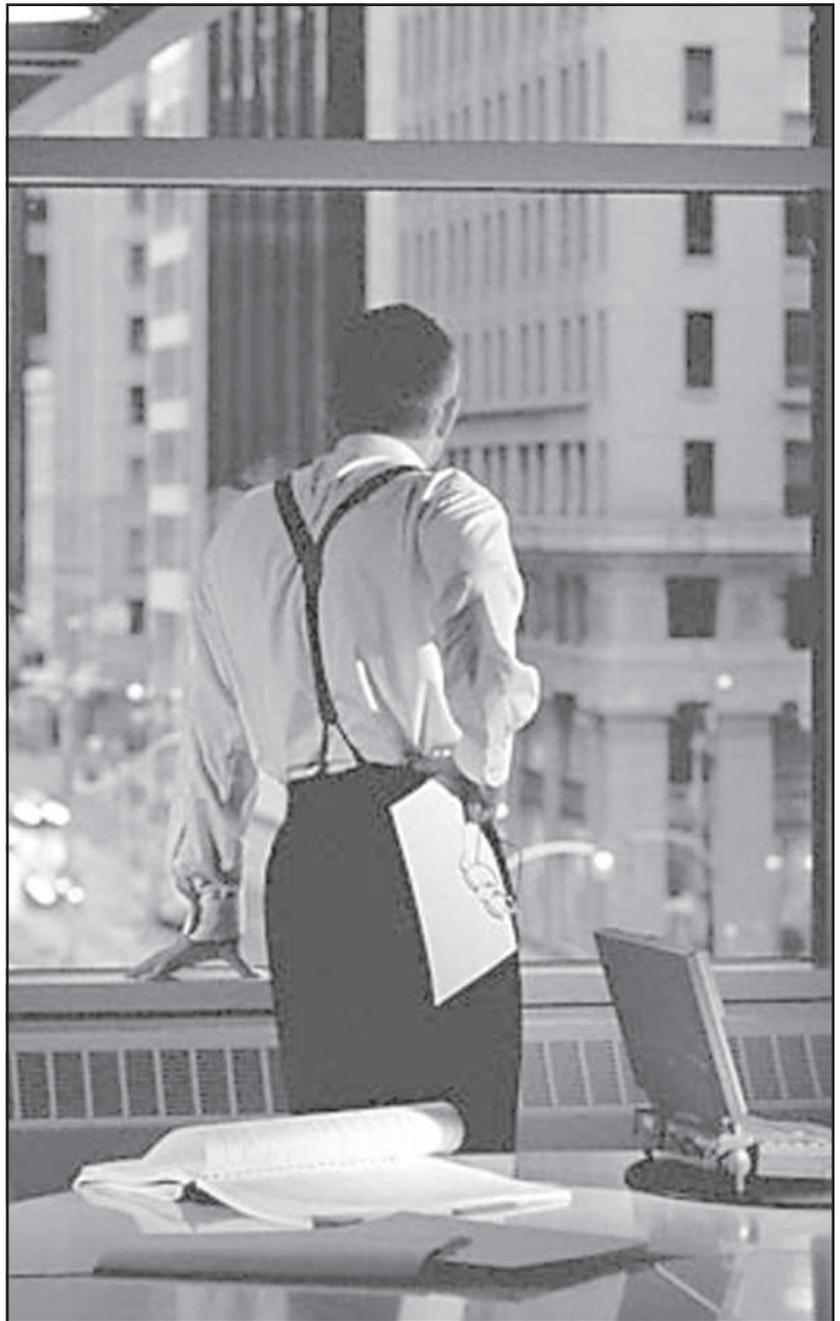
Meeting planners generally have found advertising to be ineffective in generating sales. Meeting planners are still educating their clients about the value of their services; this education takes place as clients learn the benefits to them of using a meeting planner.

### **Feature Articles in Magazines and Newspapers**

- Sleeping room inspection
- Registration, hospitality desk and meeting room setup
- Food and beverage function supervision
- Off property function management
- Audio-visual equipment coordination
- Check-in and check-out procedure supervision
- Hotel Staff coordination

### **Travel**

- Incentive programs
- Group tours
- Discounted air travel
- Discounted air cargo
- Ground Transportation
- Tour Escorts



## **MARKETING**

Key issues in marketing include developing one’s corporate image, establishing a market niche, spreading the word, advertising, generating leads from suppliers, using the media, teaching and volunteering.

### **Developing a Corporate Image**

Whether establishing an independent business, working in a corporation or association, or developing a new department in a travel agency, meeting planners need to consider their image and that of their organization.

Meeting planners project their images through a variety of means, including company name, logo, corporate colors, brochures, and other written materials, letterhead, name tags, boxes for client gifts, style of dress, make of car and descriptions of themselves and their organizations. Effective marketing requires attention to the perceptions of prospective clients in the target market. In other words, select corporate colors for the image they portray to your target market - not simply because you like the colors. Similarly, dress according to what looks professional, but appropriate to your client; a three piece suit will not look appropriate to a high school band director, who most likely will be dressed in a dress shirt and slacks.

Magazine and newspaper articles, featuring your business, an unusual or interesting event you planned, or results achieved, can be a powerful marketing tool. These features generate awareness of and interest in the industry and enhance the credibility of your organization. Feature stories are appropriate to accompany a brochure or proposal for services to a prospective clients.

Client newsletters also provide regular visibility to clients and prospects, as well as an opportunity for “upgrading” their next meeting with the creative ideas you can present.

Other marketing possibilities include writing a Dear Meeting Planner feature for a local newspaper. Any

meeting planner could write about interesting challenges and situations and find an intrigued readership.

By becoming a contributing writer or editor to a trade journal, you will become known as an expert. As industry professionals learn about your experience, they may refer business to you because of your location or area of expertise.

## Leads from Suppliers

Ask for leads from your suppliers, both business and personal. Suppliers include sales representatives for office equipment and supplies, real estate agents, insurance agents, lawyers, and accountants, as well as hotels, travel agencies, ground operators, caterers, and others from whom you purchase services or products.

## Teaching

Teaching free seminars and college/university or community education courses is another method of marketing. Before investing the time required to develop a course, consider your target audience. An audience of corporate meeting planners might be persuaded that the independent meeting planner teaching the course could provide additional resources and backup for corporate meetings. Similarly, an audience of hotel managers, destination management company operators and travel agents would be a ready source of leads on groups with which they are working.

## Volunteering

Volunteering in community activities is another way to develop a network of potential clients. Corporate executives are often involved in planning such events as the Super Bowl, Olympic Festival, Special Olympics and Masters golf tournament.

## Selling

Key aspects of sales include developing proposals, handling



objectives and expanding your client base.

## Developing Proposals

Many resources are available to help meeting planners in developing proposals to clients. With proper questioning, clients will provide direction about their needs and challenges, preferences in approaches to the meeting, and preferred suppliers. Other resources can provide general information on a state and city or resort area, sightseeing and tour activities, accommodations, and other pertinent components to a proposal:

- Convention and visitors bureaus and associations
- Hotels, both regional offices and local sales offices
- Representatives of independent or chain hotels
- Destination management companies
- Ground operators
- Other suppliers

Sell as though you are educating your prospect to the benefits of your services. The benefits include saving time, saving money, enhancing an event and increasing the participation and enjoyment of your client in the event. Proposals should include quantifiable benefits; for example, you book 30,000 room-nights per year, manage \$11 million in conference budgets, increased attendance 35 percent and decreased overall costs 15 percent.

## Saving Time

The benefit to your clients is the hundreds of hours of planning time you can save. This additional planning time allows them the opportunity to concentrate on increasing attendance, developing the agenda, raising money and recruiting volunteers.

## Saving Money

The benefit to your clients of your services is the reduction in their costs by your knowledge of hotel



negotiation and on-site cost control. They also benefit from your buying power and clout within the hotel industry. Be prepared to quantify your dollar savings on similar group functions. Further, you may be able to suggest ways for your clients to generate revenue, such as developing corporate sponsorships for hospitality functions and selling exhibit space.

## Enhancing the Event

Another benefit to your clients is your resourcefulness and creativity. You should be able to enhance the event of even the most experienced clients. You read trade journals, consult with suppliers and experience many events - all of which help you to generate new ideas. You know how to improve traffic flow, ensure that materials are delivered, negotiate with hotels for ice carvings, find a supplier to design a balloon arch in the entry way and create an interesting mixer theme for a cocktail party. Also, you should receive better service and prices in the meeting facilities and from other suppliers because you can improve the consistency and professionalism of their event from year to year.

## Enhancing Participation and Enjoyment

Many other benefits to clients can be attractive components of a proposal - they make the final decisions after you have conducted research and recommended options; they receive the “perks”; they participate in meetings, while you handle the details; they experience a memorable event; and they receive credit for the success of the event.

## Handling Objections

Meeting objections provides another opportunity to educate your prospect or client to the need for your services. Common objectives are “Why do I need professional help?”, and “How can I justify the cost?”, and “My secretary (or committee) plans my meetings”.

### “Why do I need professional help?”

Base your answer to this objection on the total budget for the meeting. For example, 1,000 people attending an association conference at \$1,000, results in a \$1 million meeting. You might ask whether the client would purchase a \$1 million house or business without consulting a lawyer. You are the planning and management professional - you speak the language of the hotels, airlines and other suppliers; you are educated and experienced; you read trade journals and attend conventions you know how to save money, make money, negotiate and be creative.

### “How can I justify the cost?”

For an association whose members pay a registration fee to attend a conference, a simple add-on cost to the registration fee can cover the meeting planning fees, with no additional burden to the association budget. For example, you could charge them \$7.50 per person for your services, and then save them \$ 5.00 per night with your negotiating abilities. To anyone who objects to the cost, answer in terms of the total cost to each participant to attend the conference with your fee as a percentage of that total cost. You could point out that lawyers want 33%, travel agents make 10%, real estate agents make 7%, but that your fee is a mere 1 percent of the budget. On the other hand, without your help, they could lose money in negotiating hotel or other supplier contracts.

### “My secretary (or committee) plans my meetings,”

Meet this objection by identifying other areas in which their time and money could be better spent. A corporate client, for example, could be spending corporate resources (i.e. secretarial or committee time) more effectively by



concentrating on increasing attendance, market share, and product launches. An association client could be increasing membership, attendance and exhibitor participation recruiting speakers, and developing an agenda - rather than carrying out the functions of a professional meeting planner. If corporate and association clients, as well as meeting planners, all concentrate on what they do best, the conference will be successful.

## Expanding your Client Base

The steadier your base of accounts with repeat business, the more stable your business can become. It is efficient to continue to work with the same people whose interests and idiosyncrasies you understand and who have come to know and rely on you. You can build on those services year after year, providing additional services as you educate them to the possibilities for creativity and income generation.

Further, in the example of a national conference, if you have the resources to work nationally or internationally, you can provide regular service to a long-term account by planning the conference in each new destination for each new year. When working with national conferences, ask about their state meetings, and vice versa. When working with associations, ask about their sister organizations. When working with corporations, ask about other divisions, the board of directors, the sales office. Ask about spouse employment and social organization memberships. While you are at it, ask about your

competitors, if your prospect has used a competitor

## Pricing

Before establishing a price for your services, you must obtain all information required in developing a proposal. This information includes the previous year's budget, numbers of participants, sponsors of the conference, the cost to participants, the duration of the conference and the position of the person who has been responsible for planning in the past.

This last item will help you to justify the cost of your services in terms of resources expended internally. For example, a corporate sales manager with a \$50,000 annual salary plus a 30 percent benefit package, who spends 200 hours planning a corporate sales meeting, will cost the corporation \$6,250 in his time; add clerical and support time to that figure and you may have justified a large portion of your fee.

The fee for your services must include your overhead, daily labor rate, and profit. All other direct meeting costs can be billed to the client. This includes long distance phone charges, printing, subcontracted services, computer-generated name tags, and any other out-of-pocket expenses to the meeting planner.

## Pricing Options

Meeting planners establish prices on the following basis: per person, per project, per hour or per day; a percentage of the total conference budget; on commissions; or on some combination of these. For example, once you determine your fee for planning and managing the entire conference, you could add a small cost to the registration fee, as well as receiving a commission from the hotel and bus company. Your being paid by commissions, at least

partially, may not effect the price to the client, since many suppliers will pay a commission as though you were a sales representative for them.

Much of the variation in source of the fee is a function of what the traffic will bear: an association with a limited budget will be more likely to support a registration fee add-on than a flat fee from their budget; a corporation, on the other hand, is unlikely to charge participants.

## Negotiating with Suppliers

Most meeting planners are managers of subcontractors; therefore, they require many suppliers of services and products. Suppliers in the meeting planning-hospitality-travel industry include travel agents, destination management companies, party planners, caterers, bus companies, hotels, airlines, florists, balloon companies and entertainment booking agencies. Suppliers for your general business needs include computer consultants, designers, printers, accountants, lawyers, bookkeepers, bankers, financial planners, insurance agents.



## What do you need from suppliers?

First, suppliers must be client-oriented, in the sense that they will anticipate and meet client needs and deadlines - both yours and your clients'. Second, they must be concerned about developing an ongoing, long-term relationship. Third, they must be cost-conscious, helping you to work within your budget and stick to their bid. You must be clear with them from the beginning of the negotiation, whether their services are commissionable to you.

Also, your suppliers of business-related services and products must be interested in learning your industry and business. Few accountants and lawyers, as examples, are experienced in working with meeting planners; they must be willing to have you educate them about the idiosyncrasies of the industry.

## Your negotiating leverage:

Those suppliers who are motivated to do business with you will respond to your needs, for instance, as much as is possible; hotels will provide a room rate within your client budget, the number of complimentary rooms you require, the free wine and cheese you request for your corporate president, and so on.

Your leverage in negotiating stems from the volume of business you do, in terms of roomnights per year, amount of air ticketing, and dollar volume of business. Suppliers also respect experience in the business and familiarity with similar businesses in the industry.

A start-up independent meeting planner with established professional relationships may find an accountant or lawyer who is willing to invest in the business to the extent that he or she would defer billing on fees for a given period of time. Your best leverage to implement such a plan is your reputation and credibility in business.

## CHAPTER TWELVE

**LEGAL ISSUES AFFECTING MEETING PLANNERS**

Whether it's a simple one-day meeting for ten people at an airport hotel with only a coffee break, or a five day incentive session for 250 successful retailers at a plush resort featuring golf, tennis and several food and beverage functions, or a citywide convention and trade show for 3,000 plus attendees in a major urban setting, a successful meeting is one in which all the details have been attended to and all of the contingencies have been anticipated in advance and planned for.

All too often, however, the meeting planner who executes the successful meeting has not given the same kind of attention to detail to the negotiation and preparation of the contract(s) which will govern the implementation of the meeting. If nothing goes wrong, the failure to review details of the contract may be made moot; however, if something unexpected does occur, the answer to the meeting planner's dilemma might well be found in what is included in - or omitted from - the meeting contract.

In far too many instances, contracts for meetings,

concepts associated with contracts, as well as how to apply some general principles to the specific situations surrounding meetings. In addition, because many federal, state and local laws and regulations impact meetings, conventions and trade shows, a well educated planner should have some knowledge of how these laws affect the meeting.

**What is a contract?**

All of the rights and obligations imposed on planners and hotels in connection with the conduct of a meeting stem from a contractual relationship. In order for this relationship to exist, it is not necessary for the agreement between the parties to be in writing, although it normally is.

A contract isn't actually formed in a legal sense until there has been a specific offer by one party, acceptance by a second party, and what the law calls "consideration" (which can be money or an exchange of promises) to seal the bargain.



A planner will frequently get a letter from a hotel indicating that the planner has a "tentative first option" or a "first option" on space, subject to further negotiation on key points. However, from a legal standpoint, such an arrangement may not be enforceable, especially if one of the items to be negotiated is a key provision such as room rates. In such a case, no contract exists, so neither the planner nor the hotel has an enforceable right if the deal isn't consummated.

conventions and trade shows contain self-serving statements, lack specificity and fail to reflect the total negotiations between the parties. This is understandable since neither meeting planners nor hotel sales representatives generally receive training in the legal "rules" governing these agreements.

The purpose of this chapter is to provide planners with some insight on the applicability of general legal

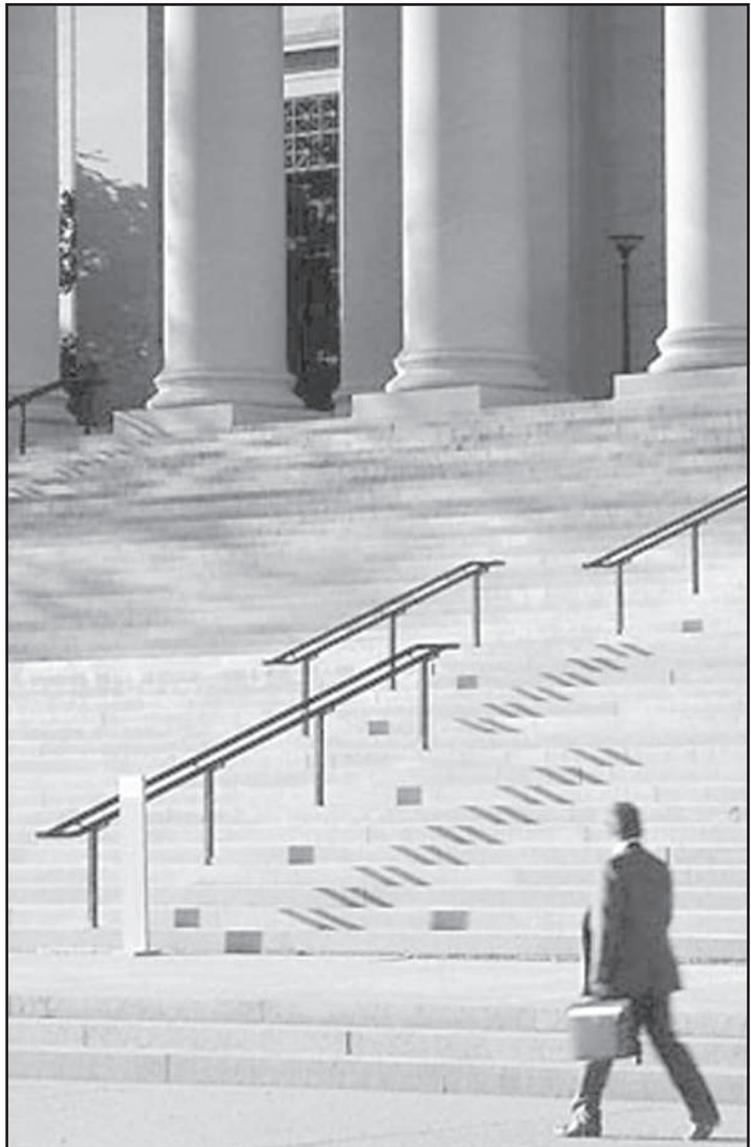
While a contract doesn't have to be in writing to be binding, and doesn't have to be called a "contract" to be enforceable, virtually all meeting contracts are written. It's important for a planner to understand, however, that in trying to enforce a written agreement, courts will generally ignore oral "agreements" which are not reduced to writing. That's why everything that's discussed and agreed upon should be put in writing.

**General Principles of Meeting**

## Contracts:

When negotiating meeting contracts - or any agreements for that matter - it's wise to keep some general rules in mind. While a good contract negotiation is a "win-win" situation, providing something for each party, the real "winner" in a negotiation is usually the one who is the best prepared and/or the one with the best bargaining leverage. The following rules will help with the negotiation of a good meeting contract:

- Go into the negotiations with a plan. Know your "bottom line", that is, what you really want and what you can afford to give up.
- Always go into a contract negotiation with an alternative location or service provider in mind. Your bargaining leverage is better if the other party knows you can go somewhere else with your business.
- Do your "homework". Prepare backup information on your group's meeting history, including its sleeping room utilization, food and beverage functions (with typical menus) and other events which provide income to the hotel. Do not forget to include events (such as hospitality suites) which may be contracted for separately by meeting attendees.
- Be thorough. Put everything negotiated in the contract and do not be afraid to utilize an addendum provided it's referred to in the body of the contract. Develop your own contract if necessary (A checklist of items which should be included in a well drafted meeting contract appears at the conclusion of this chapter.)
- Don't assume anything. Put all points of agreement in writing, since industry personnel change frequently and oral agreements can be easily forgotten.
- Be specific. For example, don't state that "food and beverage prices will be guaranteed 12-18 months out". Instead, specify that "food and beverage prices will be guaranteed (or negotiated) 12 months prior to the meeting".
- Beware of language which sounds acceptable, but doesn't tell you anything specific. For example, what does a "tentative first option" mean? Words like "reasonable", "anticipated" and "projected" should be avoided.
- Don't accept something just because it's pre-printed



on the contract or proposal given to you by the other party. Everything is negotiable.

- Read the small print. For example, the "boilerplate" language about indemnification of parties in the event of negligence can make a major difference in the resolution of a matter after an accident or injury.

- Always leave an "out", especially for meetings scheduled more than three (3) years in the future, or meetings where significant growth or shrinkage of attendance or space needs is a distinct possibility. This is particularly important in a business climate where the management of a particular hotel property can be changed from one company to another.

- Look for mutuality in the contract's provisions. For example, don't sign a contract where the "hold harmless" clause only protects one of the parties (especially the hotel).

Such provisions should be applicable to both parties.

- Remember that a meeting contract provides a “package” of funds to a hotel. Think in terms of overall financial benefit to the hotel (i.e. the total income from room rates, food and beverage, etc.) and allocate this to the sponsor’s benefit.

### Specific “Rules” Applicable to Meeting Contracts:

In addition to the general guidance set forth above, there are a number of specific suggestions which, if followed, can make for a better contract from a planner’s perspective:

- Never sign a contract where the room rates are left to future negotiation. Future rates can always be set as a percentage of then-current “rack” rates or as a predetermined amount (such as the Consumer Price Index) over existing rates. Indicate the specific date when final rates are to be determined.

- Specify special room rates - e.g. for staff and speakers -and indicate any upgrades for those people. Indicate whether these are included in the comp room formula, and specify what that formula is.

- Be sure that specific meeting and function space is assigned at least 6-9 months prior to the meeting, depending on the time of the first promotional mailing. Do not permit a change in assigned meeting rooms without prior approval.

- Provide the ability to cancel a meeting without penalty if (a) hotel management or ownership is changed, (b) hotel ownership or management files for bankruptcy protection, (c) the meeting outgrows hotel space, or (d) the hotel does not perform satisfactorily at an earlier meeting (e.g. in the event of multi-year contracts with the same property). If the meeting sponsor is sensitive to political considerations (such as a pro- or anti-abortion group), provide an opportunity to cancel without penalty if it is not in the best interests of the sponsor to hold the meeting (e.g. because a law enacted by the state legislature is objectionable to the sponsor or its constituents).

- If a cancellation clause will trigger a monetary payment to the hotel, payment should be specified in dollars, or should be based on the hotel’s lost profit, rather than lost revenue (the latter is particularly true in the case of food and beverage profit). Where lost room revenue is involved, make sure to measure lost sales against the normal occupancy for the particular time of the year, not against the hotel’s capacity. Cancellation by the hotel should also require a monetary payment.

- Consider using arbitration as an alternative to resolving any disputes by means of litigation. Specify the location of the arbitration (e.g., in the city where the meeting is to be held, or where the sponsoring organization is headed).

- Do not agree to any changes that are not either spelled



out in the contract or a later addendum. Be sure that all documents are signed by authorized individuals.

- Know with whom you are dealing and specify it in the contract. Don’t just put the name of the hotel on the agreement (as is done with the vast majority of agreements), since the property may be owned by a national hotel chain, a chain which is merely managing a property for a group of owners, a franchisee of the chain, or some other organization. It’s important to specify the contracting parties since they are the ones who are liable in the event of a breach of the agreement.

## Federal/State Laws Impacting Meeting Contracts:

Many federal and state laws impact meeting contracts. For example, the Internal Revenue Code allows taxpayers to deduct only 50% of the cost of business meals. Meals which are “bundled” into a registration fee are technically covered by this rule, and while an organization sponsoring a meeting has no affirmative duty to provide attendees with information about the cost of specific meals, it’s a good idea to have such information available in the event an attendee asks.

State and local sales taxes are added to the cost of many products and services provided to organizations in connection with a meeting. Under the laws of many states, however, certain non-profit organizations -generally those which qualify as tax-exempt under Section 501(c)(3) of the Internal Revenue Code - are exempt from paying sales taxes on items which they purchase. The exemptions are not automatic, however, and it is generally necessary for the organization to contact the appropriate state revenue office to formally obtain an exemption; this should be done well in advance of the meeting because it will be necessary to present an exemption certificate to the hotel in advance of the meeting to avoid the imposition of state and local taxes.

Also, state and local sales taxes are often applied to mandatory service charges - such as those which are added to meal service - but not to discretionary gratuities. Modifying contracts to provide that all service charges shall be discretionary may also save money for the meeting sponsor.

While organizations can sometimes exempt themselves from paying sales taxes, they generally cannot obtain exemptions from collecting sales taxes on items (such as publications) sold during the meeting. If such sales are made, contact should be made with appropriate state tax officials in advance of the meeting to determine any collection requirement.

Exhibitors at trade shows often sell items to attendees. They too, may be obligated to collect sales taxes and they should be advised of their responsibilities.

### Copyright Laws:

Under federal copyright law, live or recorded music played at an event conducted in conjunction with a meeting,



such as a dinner/dance or a cocktail reception, can trigger copyright infringement litigation, unless the meeting’s sponsor has obtained a license to perform the music. Under the law, the license must be obtained by the sponsor, not the musicians who perform the music.

There are two major organizations, the American Society of Composers, Authors and Publishers (ASCAP) and Broadcast Music, Inc. (BMI), which license the overwhelming majority of copyrighted music in the United States. Annual performance licenses should be obtained from both organizations if a meeting is going to feature live or recorded music, unless the sponsor knows that all music to be performed is in the public domain.

Both ASCAP and BMI have sought to require the sponsor of a trade show to obtain a general license governing all music played by exhibitors. However, there have been some indications that the two organizations may relent somewhat and permit individual exhibitors to obtain licenses. Before a trade show sponsor transfers this responsibility to exhibitors, it should analyze where it would be financially more desirable to obtain one license for all exhibitors (perhaps recouping the cost by increasing exhibitor fees) rather than shifting the burden.

### Tort Liability:

Injuries to meeting attendees or third parties caused by the negligence of the meeting’s sponsor can trigger cost liability. Planners should be sure that the sponsoring organization’s general liability insurance is at a sufficient level and that it covers actions which may occur away from the organizations’ headquarters.

In addition, language should be included in the contract that provides for indemnification of the sponsor by the hotel or other venue for any and all liability (including attorney's fees) caused by the negligence of the hotel or its employees and agents. Planners should be especially careful in reviewing indemnification language in hotel contracts, since this is the one area in which hotels frequently try to present a one-sided provision; that is, they seek to have the sponsor indemnify the hotel, but do not provide for a similar indemnification from the hotel to the sponsor.

Planners should be especially careful if alcoholic beverages are to be served at the meeting. The contract should specify that it is the responsibility of the hotel to comply with all federal, state and local laws governing the service of alcoholic beverages.

### **Americans with Disabilities Act:**

The 1990 Americans with Disabilities Act prohibits discrimination against disabled individuals by all places of "public accommodation" such as hotels, restaurants and



retail stores.

An organization sponsoring a meeting is defined as a place of "public accommodation" as well as the hotel in which the meeting is held. Both have an obligation not only to provide physical access to the meeting for disabled individuals, but to take affirmative steps, such as providing sign interpreters for hearing impaired attendees, to assure that all attendees can participate equally in the meeting.

A well-drafted contract will set forth the compliance responsibilities of both the hotel and the meeting sponsor. Usually, the hotel is responsible for the physical property

itself (such as providing wheelchair ramps at all major entrances) while the sponsor is responsible for providing what the law calls "auxiliary aids", that is, equipment or assistance which will enable disabled attendees to fully participate in the meeting.

The agreement should also contain an indemnification provision, in which the hotel pledges to pay any costs (including attorney's fees) incurred by the meeting sponsor as a result of the hotel's failure to comply with the ADA.

### **Other Considerations:**

Because of hotel overbuilding in many markets during the 1980's, coupled with the general slump in the real estate market, economic factors are forcing many hotel owners (who are frequently different from the management companies operating the properties) to become more cost-oriented.

Some attempt to impose fees for such things as using non-recommended outside contractors (e.g. audio-visual companies) to compensate for commissions lost as a result. The prudent planner will provide that the hotel may not impose fees which are not set forth in the contract.

Constantly changing rates is also a vexing problem. A planner may contract with a hotel for a meeting to be held three to four years in the future and be satisfied with the rate quoted, only to find that, at the time of the meeting, the hotel is selling rooms to the general public at less than the group rate. While the sponsor of a large meeting may have the "clout" to contractually prevent such action, an alternative approach, in which the meeting sponsor is given credit toward its room block for any meetings booked by individuals at the lower rate, may be more achievable; however, the planner should realize that the only way to properly monitor such a provision is to carefully scrutinize room pick-up on a daily basis.

It's also vexing to have meeting attendees with confirmed reservations "walked" - that is, moved to another property. A well-written contract should require the hotel to notify the planner at least 24 hours in advance of an overbooking situation, allowing the planner the opportunity to select which attendees are relocated. Contracts typically require the hotel to provide complimentary transportation to and from the other hotel to affected attendees.

Strikes or other labor disputes can seriously disrupt an otherwise well-planned meeting. A well-written contract

should require the hotel to notify the planner in advance of either an attempt to unionize the hotel or an expiring collective bargaining provision.

All hotels must refurbish their properties from time to time. The renovations are often major. The hotel should be required to notify the meeting sponsor of any construction which is scheduled to take place within 60 days of the meeting and to pledge that any such construction will not disrupt the meeting.

Before a meeting contract provides a hotel with a “package” of benefits (including room revenue and food and beverage revenue), hotels may seek to impose charges for meeting room rental if stated food and beverage functions change. Contract provisions which permit the unilateral imposition of such charges without the consent of the meeting sponsor should be avoided.

### **Conclusion:**

Since the law is constantly changing, meeting planners should be alert to new laws or court rulings which could impact the successful execution of meetings. Since agreements provided by hotels are often self-serving and poorly drafted, more and more meeting sponsors are developing their own contracts (or at least contract provisions) to assure a complete and well-drafted agreement.

### **MEETING CONTRACT CHECKLIST**

1. Identification of Parties
2. Name and Dates of Meeting/Event
3. Sleeping Room Block
4. Check-In/Check-Out Times; Restrictions or Conditions
5. Reservation Cut-Off Date/Reservation Reports
6. Overbooking
7. Room Rates for Event
8. Complimentary Rooms
9. VIP Amenities
10. Parking, Golf, Tennis, Health Club, other rates
11. Meeting/Function Space Requirements
12. Meeting/Function Space Rental Charges
13. Food and Beverage Requirements/Rates
14. Exhibit Space/Rental Rates and Rules
15. Audio-Visual Requirements/Rates
16. Service, Equipment, Staffing
17. Signage, Promotional Materials
18. Outside Contractors
19. No Additional Fees

20. Credit, Billing, Master Account Authorization
21. Room Pick-Up Reports
22. Other Meetings In-House
23. Collective Bargaining
24. Americans with Disabilities Act Compliance
25. Construction, Renovation, Remodeling
26. Fire Safety
27. Liquor Liability
28. Insurance
29. Subcontractors
30. Indemnification
31. Termination (Force Majeure)
32. Cancellation
33. Change of Ownership/Management
34. Dispute Resolution
35. Entire Agreement Clause
36. Parties in Interest/Non-Assignment
37. Applicable/Governing Law
38. Severability
39. Authority of Signers
40. Signatures and Dates

*CHAPTER THIRTEEN*  
**GUIDELINES AND WORKSHEETS**

**Meeting History**

It is extremely important to maintain history regarding your meetings. Such history will enable you to:

1) Better understand the value of your meeting to a hotel, convention center and city. This will assist you in your selection of the site and in negotiations.

2) Good histories will enable you to develop trends that occur by city, arrival and departure variations, attendance variations, room rates and all the other elements that you track with your histories.

3) Develop more precise budgets that are based upon historical data versus using your own “guesstimates”.

The following formats may be used to assist you in these areas. These are meant to be guidelines and should be adapted for your individual use to develop a history for your meetings.

**MEETING FACILITY SUMMARY**

Meeting: \_\_\_\_\_ City/State: \_\_\_\_\_

Dates: \_\_\_\_\_ Property: \_\_\_\_\_

Day/Date	Rooms Committed	Rooms Picked-up	Average Rate	Room Revenue
Sun.	_____	_____	_____	_____
Mon.	_____	_____	_____	_____
Tues.	_____	_____	_____	_____
Wed.	_____	_____	_____	_____
Thurs.	_____	_____	_____	_____
Fri.	_____	_____	_____	_____
Sat.	_____	_____	_____	_____
Totals	_____	_____	_____	_____

Room Information	Rack Rate	Group Rate	Picked-up
Single	_____	_____	_____
Double	_____	_____	_____
Multiple/Suites	_____	_____	_____
Sgl/Db1 Percentage _____ %		Food/Beverage _____	
No-show Percentage _____ %		Other Revenue _____	
		Total _____	

The total estimated value of this meeting, including rooms, food and beverage, audio-visual and other services? Knowledge of these figures can help in your negotiating powers, and give you leverage for complimentary items.

**OFFICIAL FOOD AND  
BEVERAGE FUNCTIONS**

Meeting: \_\_\_\_\_ City/State: \_\_\_\_\_

Dates: \_\_\_\_\_ Property: \_\_\_\_\_

Date of Function: \_\_\_\_\_ Event No.: \_\_\_\_\_

Type of Function: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Inclusive Price Per Person: \_\_\_\_\_ Guarantee: \_\_\_\_\_

Total Food Revenue: \$ \_\_\_\_\_

Total Beverage Revenue: \$ \_\_\_\_\_

**Total Food and Beverage Revenues \$ \_\_\_\_\_**

## MEETING FACTS

By getting all the facts about the proposed meeting together you can easily give your specifications to your prospective meeting hotels.

Name of Meeting: \_\_\_\_\_

Contact: \_\_\_\_\_ Dates: \_\_\_\_\_

### Function Space Main Meeting Room

Date: \_\_\_\_\_ Time: \_\_\_\_\_

Set-Up Type: \_\_\_\_\_ No. of People: \_\_\_\_\_

A/V Equipment Requirements: \_\_\_\_\_

\_\_\_\_\_

### Breakout Rooms

Date: \_\_\_\_\_ Time: \_\_\_\_\_

Room Name(s) \_\_\_\_\_

Set-Up Type: \_\_\_\_\_ No. of People: \_\_\_\_\_

A/V Equipment Requirements: \_\_\_\_\_

\_\_\_\_\_

### Food/Beverage Function

Date: \_\_\_\_\_ Time: \_\_\_\_\_

Room Name(s): \_\_\_\_\_

Set-Up Type: \_\_\_\_\_ No. of People: \_\_\_\_\_

A/V Equipment Requirements: \_\_\_\_\_

\_\_\_\_\_

Function Explanation: \_\_\_\_\_

\_\_\_\_\_

## BILLING PROCEDURES

Name of Group: \_\_\_\_\_ Dates: \_\_\_\_\_

Master Account to be set-up: \_\_\_\_\_

Signatures for Master Account allowed: \_\_\_\_\_

\_\_\_\_\_

- Company pays all charges
- Company pays room and tax only
- Individuals pay all charges

## KEY CONTACTS AT HOTEL

Positions	Names	Phone/Pager
General Manager	_____	_____
Director of Sales	_____	_____
Sales Manager	_____	_____
Convention Service Director	_____	_____
Convention Service Manager	_____	_____
Reservations Manager	_____	_____
Audio/Visual Technician	_____	_____
Banquet & Catering Manager	_____	_____
Food & Beverage Director	_____	_____
Front Office Manager	_____	_____
Executive Housekeeper	_____	_____
Accounting Manager	_____	_____
Head Houseman	_____	_____
Concierge	_____	_____
Tennis Director	_____	_____
Golf Director	_____	_____
Special Events Coordinator	_____	_____
Ground Transportation Company	_____	_____
Tour Operator	_____	_____
Florist	_____	_____

## MEETING SPECIFICATIONS (EXAMPLES)

(Sample Requirement Sheet)

Date: \_\_\_\_\_ Time: \_\_\_\_\_

Group: \_\_\_\_\_ Room: \_\_\_\_\_

### Set-ups

- Theatre
- Schoolroom
- Conference with two persons at head
- Hollow Square allowing 3' per person elbow room
- Rounds of Eight
- Stage with Head Table for Four
- Standing Lectern
- Pads, Pencils, Water Glasses (should be required on all)
- Divide Room for Smoking and Nonsmoking
- Table for Handout Materials in Rear of Room
- Room Temperature at 68 degrees
- PA System turned off in meeting room
- Spotlight on Speaker

### Audio/Visual Equipment

- Rear Screen Projection
- 35 mm/Remote control at Lectern
- Overhead Projector with Acetate Roll and Markers
- Two Flipcharts at Head Table with markers
- Technician needed from 8:00 am to 10:00 am
- Reel to Reel to Record President's Speech
- Lectern Microphone
- Lapel Microphone at Lectern
- Two Standing Microphones at Head Table
- 35 mm/Remote and Screen at Open end of "U"

### OTHER REQUIREMENTS

- Typewriter for Registration Table
- Easels
- Pens and Pads of Paper
- Hotel Personnel to Assist in Monitoring of Elevators When Group Breaks for Lunch

## BUDGET PLANNER

Your meeting budget is an estimate of anticipated income and expense for your meeting and provides financial control and accountability. It's important to document how and why you arrived at all figures, so keep track of calculations used to arrive at each budgeted item. Allow contingencies for the unexpected. Reviewing last year's budget will give you a good basis for preparing this year's; and analyzing the difference between budgeted and actual costs will get you closer to actual expenses the next time.

Below are some expense and revenue items. Remember to add room tax, sales tax and gratuities where appropriate as this can add up to a sizeable amount. You may wish to assign a series of account numbers to various expense and revenue categories to help keep similar items grouped together.

Name of Meeting: \_\_\_\_\_ Dates: \_\_\_\_\_

Budget Prepared by: \_\_\_\_\_ Date: \_\_\_\_\_

No. of Participants: \_\_\_\_\_ No. of Days: \_\_\_\_\_

Budget: \_\_\_\_\_ Actual Expenses: \_\_\_\_\_

Acct#	Expense Item	Projected	Actual	Variance
100	Sleeping Rooms			
200	Ground Transportation			
300	Breakfasts			
301	Lunches			
302	Dinners			
303	Breaks - AM and PM			
304	Receptions			
305	Hospitality			
400	Meeting Room Charges			
401	Audio/Visual			
402	Equipment Rental			
403	Labor			
404	Material Production			
500	Printed Materials			
501	Name Badges			
502	Programs			
503	Signage			
504	Stationery and Envelopes			
505	Flyers			

Acct#	Expense Item	Projected	Actual	Variance
600	Recreation			
601	Tours/Guides			
602	Admission Fees			
603	Golf/Tennis Fees			
700	Speaker Fees			
800	Miscellaneous			
TOTAL EXPENSES				

Acct#	Expense Item	Projected	Actual	Variance
0100	Registrations Fees			
0101	Full Registration			
0102	Partial Registration			
0103	Student Registration			
0200	Exhibitor Fees			
0201	Earlybird Fees			
0202	Regular Fee			
0203	Sponsorship Fees			
0303	Exhibitor Fees			
+ TOTAL REVENUES				
-LESS TOTAL EXPENSES				
=TOTAL ANTICIPATED PROFIT				



# Official Membership Application

(Please complete all sections)

## APPLICANT INFORMATION

Name \_\_\_\_\_ Title \_\_\_\_\_

Company \_\_\_\_\_

Company Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip/Postal Code \_\_\_\_\_ Country \_\_\_\_\_

Phone ( ) \_\_\_\_\_ Fax ( ) \_\_\_\_\_

E-Mail \_\_\_\_\_

For mailing purposes, please use my:  Company or  Residence Address

Residence Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip/Postal Code \_\_\_\_\_ Country \_\_\_\_\_

Phone ( ) \_\_\_\_\_ Fax ( ) \_\_\_\_\_

E-Mail \_\_\_\_\_

## PROFESSIONAL DESIGNATION SELECTION

Select one or more of the professional designations that you wish to apply for. See reverse side for designation requirements.

- |   | <u>Annual Dues</u> |
|---|--------------------|
| <input type="checkbox"/> RMP - Registered Meeting Planner . . . . .       | \$210.00 U.S.      |
| <input type="checkbox"/> CEP - Certified Event Planner . . . . .          | \$210.00 U.S.      |
| <input type="checkbox"/> CDS - Certified Destination Specialist . . . . . | \$210.00 U.S.      |
| <input type="checkbox"/> CEM - Certified Entertainment Manager . . . . .  | \$210.00 U.S.      |
| <input type="checkbox"/> Affiliate Member . . . . .                       | \$175.00 U.S.      |

## EXPERIENCE

Please be specific. Attach your resume or bio if necessary.

Experience Dates \_\_\_\_\_ to \_\_\_\_\_

Description \_\_\_\_\_

\_\_\_\_\_

Experience Dates \_\_\_\_\_ to \_\_\_\_\_

Description \_\_\_\_\_

\_\_\_\_\_

Experience Dates \_\_\_\_\_ to \_\_\_\_\_

Description \_\_\_\_\_

\_\_\_\_\_

## ADDITIONAL PROFESSIONAL AFFILIATIONS, IF ANY

A. \_\_\_\_\_

B. \_\_\_\_\_

C. \_\_\_\_\_

## RMP - Registered Meeting Planner

### Requirements:

- A. Applicant must have a minimum of one (1) year of experience planning and/or coordinating meetings.
- B. Applicant must submit a completed membership application.
- C. Applicant must submit membership dues of \$210.00 U.S.

---

## CEP - Certified Event Planner

### Requirements:

- A. Applicant must have a minimum of three (3) years of experience planning and/or coordinating meetings.
- B. Applicant must submit a completed membership application.
- C. Applicant must submit membership dues of \$210.00 U.S.

---

## CDS - Certified Destination Specialist

### Requirements:

- A. Applicant must have a minimum of three (3) years of experience as a travel coordinator and/or similar responsibilities.
- B. Applicant must submit a completed membership application.
- C. Applicant must submit membership dues of \$210.00 U.S.

---

## CEM - Certified Entertainment Manager

### Requirements:

- A. Applicant must have a minimum of three (3) years of experience either booking entertainment for events and/or managing entertainers or professional talent (i.e. speakers, musicians, comedians, etc...).
- B. Applicant must submit a completed membership application.
- C. Applicant must submit membership dues of \$210.00 U.S.

---

## Affiliate Member

### Requirements:

- A. Applicant has an interest in planning or coordinating meetings or is involved in the event industry.
- B. Applicant must submit a completed membership application.
- C. Applicant must submit membership dues of \$175.00 U.S.

---

I hereby apply for membership in the International Society of Meeting Planners as a Designated Member and attest that all information in this application is true and correct to the best of my knowledge. If for any reason the application is not accepted, all fees will be returned. Completed Applications can be mailed, faxed or emailed.

\_\_\_\_\_  
Applicant Signature

\_\_\_\_\_  
Date

FOR BANK CARD CHARGES	
<input type="checkbox"/> Visa <input type="checkbox"/> Master Card <input type="checkbox"/> AMEX <input type="checkbox"/> Discover	Charge Amount \$ _____ Expiration Date _____
	Card Number _____
	Billing Address State _____ Zip Code _____
	Signature _____



## International Society of Meeting Planners

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