

Competitive  
Edge   
*“exhibiting excellence”*

# Budgeting & Cost Control





- **Purpose**
- **Essential Learning Components (ELCs)**

**Purpose:**

Develop a process to guide in allocating the right budget amounts and controlling costs to get maximum value, save money and avoid cost overruns.

**Essential Learning Components:**

1. How much of annual marketing budget is allocated to exhibit marketing.
2. Total budget for a single show.
3. Seven major exhibit spending areas.
4. How to use our cost control tool to manage and benchmark exhibiting expenditures.
5. 57 ways to save money organized by eight exhibiting expense areas.



# Exhibiting Dollars & Sense

## **Insight on Exhibit Spending**

There are many different cost areas; if not paid careful attention to and well-managed, they can quickly get out of control and cause you to exceed your budget. Sometimes by a lot!

## **Golden Rule of Money Management**

### **Keep strict accounts!**

This means knowing and tracking where your dollars are going, and why, understanding if the amounts you are spending are reasonable, and having sound controls to save money and avoid cost overruns.



# Annual Exhibiting Budget

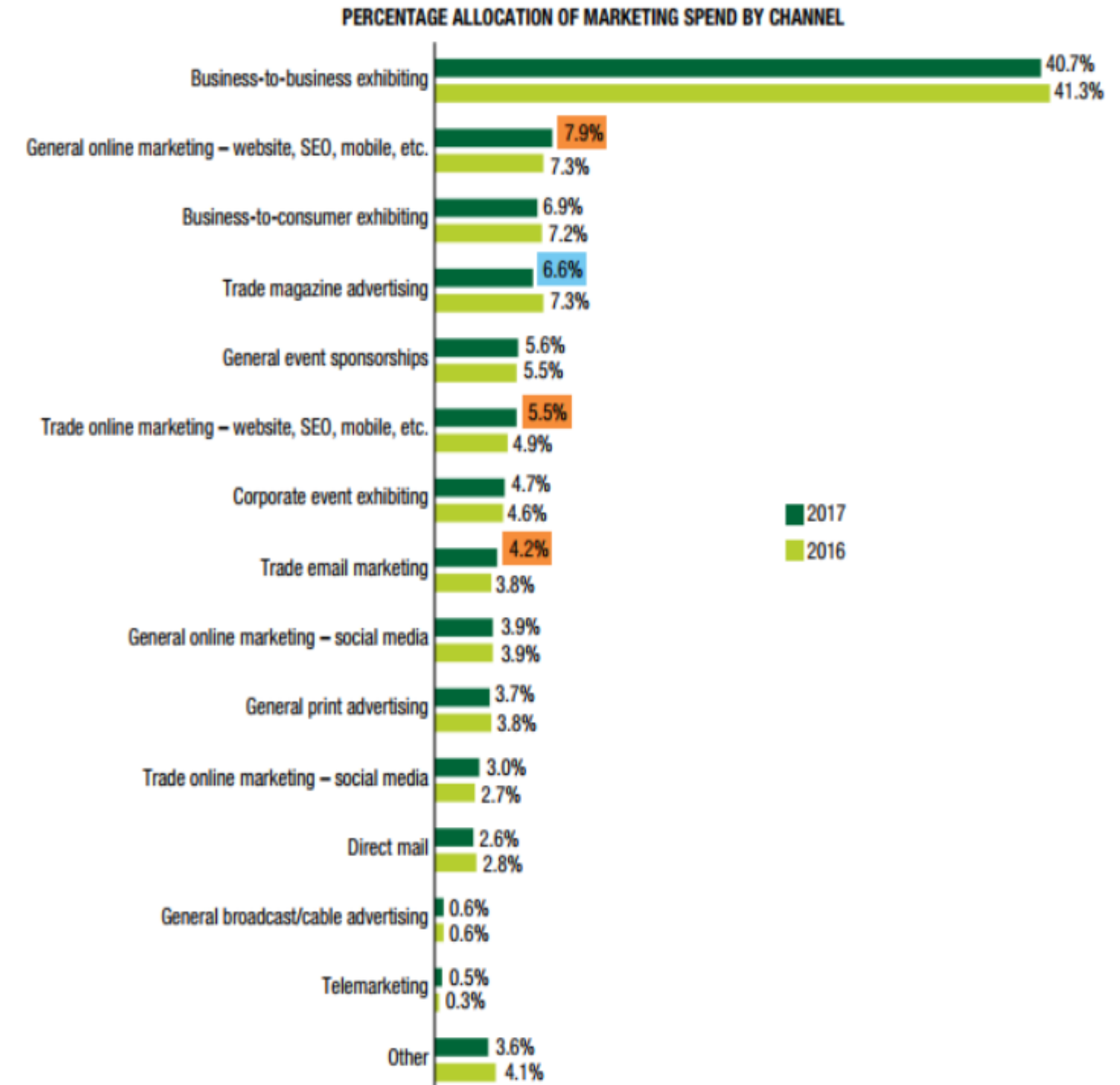
## Annual Exhibit Budget Benchmark

According to Center for Exhibition Research, the average company allocates 40.7% of annual marketing budget to exhibit/event marketing.

## Budget Benchmark Insight

Companies with an annual marketing budget of less than \$250,000 spend an average of \$21,667 per exhibition. Source: *Exhibitor Magazine*

ALLOCATION OF MARKETING SPEND BY CHANNEL



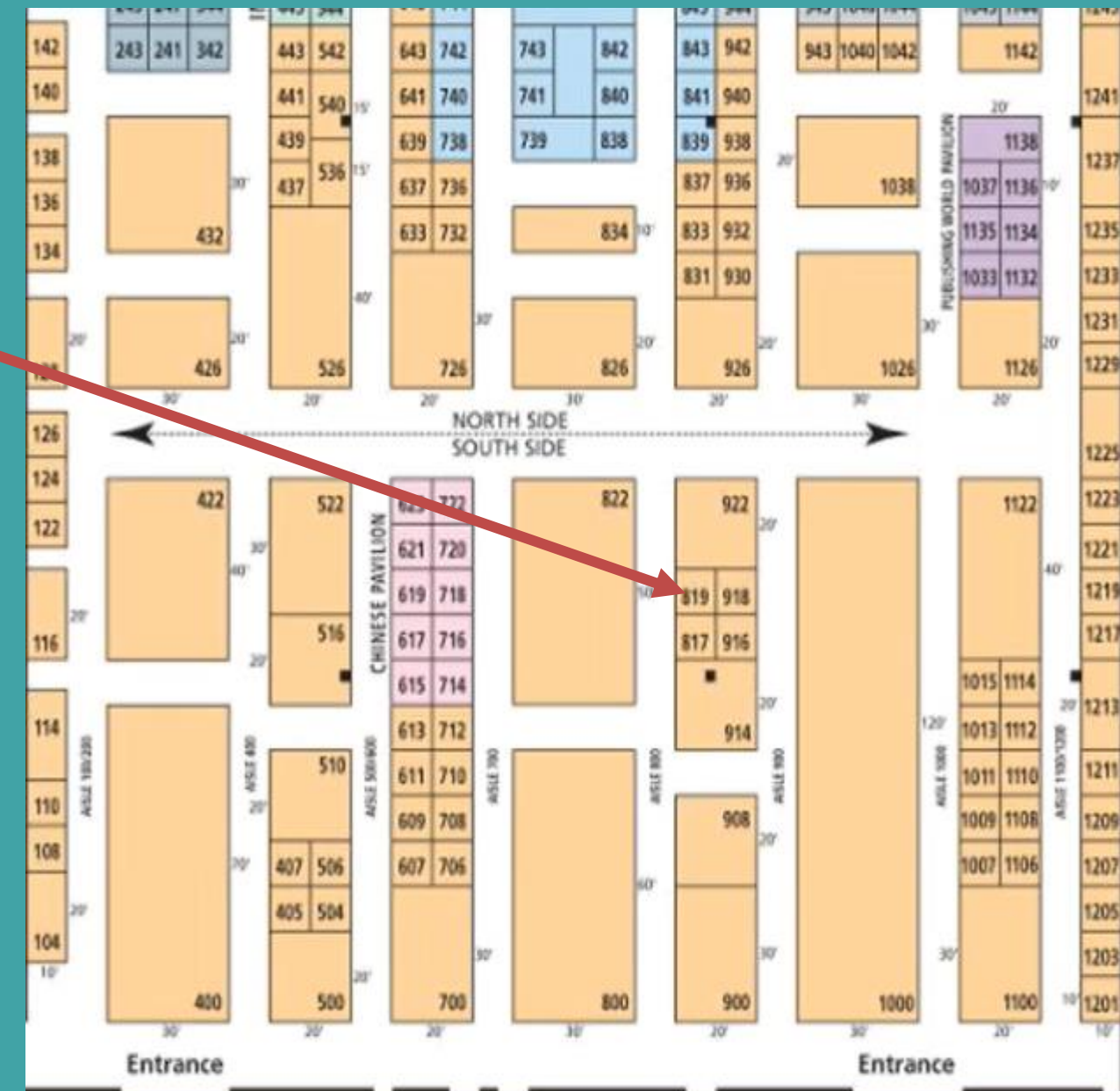
# Individual Show Budgeting

## Space Cost Calculation Formula

- The budgeting rule for an individual show is to use the space cost calculation formula.
- Cost of floor space times minimum of three.
- $\$4,000 \times 3 = \$12,000$

## When to Increase Budget

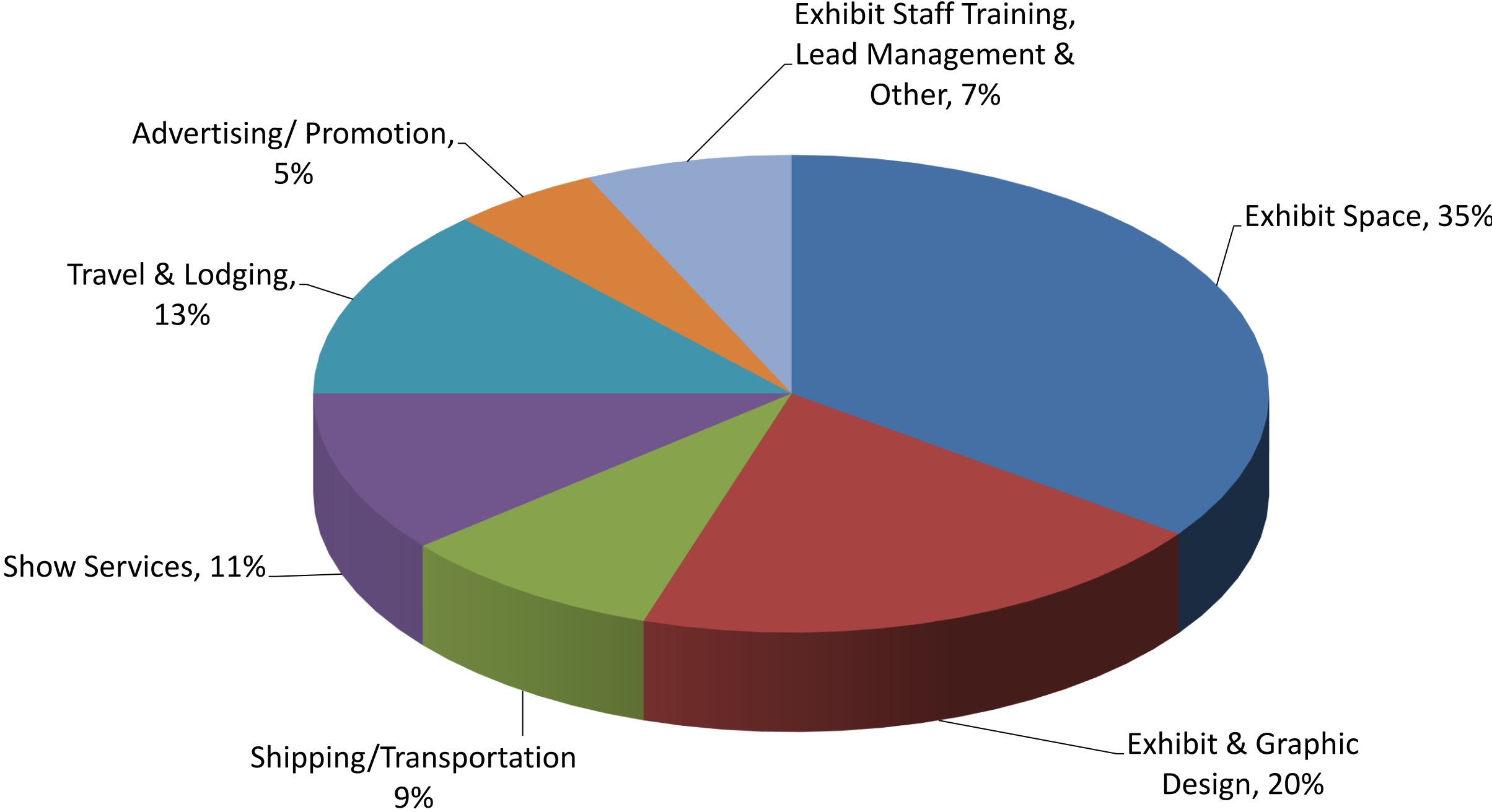
- When exhibiting in smaller booth, show ranks high on importance list with our target audience and timing, you may want to increase to exhibit floor space times five.
- $\$4,000 \times 5 = \$20,000$
- This gives you more money to do things most exhibitors are not doing and thereby gain competitive advantage.



# 7 Major Exhibiting Expense Areas

How the Exhibit Dollar is Spent

Source: Exhibitor Magazine, October/November 2022



# Exhibit Budgeting & Cost Control Tool



## **Customizable Blank Area/Line-Item Worksheet**

Blank budget worksheet enables you to track budget, actual, with over and under for each line item. Also allows you to compare costs for the current show you are using it with and a previous year, and keeps running average of budget/actual for the year.

## **Benchmark Your Costs with Pie Charts**

Once you enter data, it creates a custom benchmark pie chart so you can quickly and visually compare where your dollar is going compared to the average exhibitor.

## **Cost Benchmarks & Ways to Save Money**

Research on line item costs for drayage, show services, straight time labor rates, per diem rates by US region, and custom exhibit costs. Plus 55 cost reductions tips organized by area of spend.

# Top x Budgeting Pitfalls

- 01 Not having a budgeting and cost control process.
- 02 Booking too close to show time.
- 03 Missing early-bird discounts
- 04 Rush orders.
- 05 Multiple freight shipments.
- 06 Underestimating drayage costs.
- 07 Not keeping documentation and not bringing copies of orders to the show.
- 08 Failure to audit invoices, especially at-show documents.
- 09 Not asking for advice and discounts from vendors.
- 10 Not padding budget for contingency costs – we recommend 10%.



# 5 Big Action Items

1. Define your annual exhibiting budget.
2. Decide if you're going to use exhibit floor space times three or exhibit floor space times five for each show on your calendar.
3. Use downloadable budgeting and cost control tool to enter and track all expenses by area for your next show and all shows going forward.
4. Review cost saving ideas for each area and decide which ones you are going to focus on to save money and stretch your exhibiting dollar.
5. After completing your next show, make sure all expenses are entered and compare your customized "where the dollar goes" pie chart to the average to see how you are spending. Make adjustments going forward!!!



**Got Questions?**

Email:

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**Congratulations!!!**

You've Completed Exhibit  
Budgeting & Cost Control

*Which Course is Next???*

