

## BUDGET PLANNING

As you begin to plan your event, laying out your proposed budget on a cost sheet will allow you to clearly see what items can be included and still keep you within your budget. It will also show you how you are choosing to spend your money, enable you to look at alternate choices and see how they would work within your cost parameters. For example, once you have laid out your cost sheet and taken a look at where you stand in meeting your targeted budget you may decide to use simple candles supplied by the hotel as opposed to a more elaborate floral arrangement and put the money saved towards the cocktail reception. Your goal is to create a memorable event while staying in budget. You want to ensure that you have taken all possible steps to do so. Don't wait to find out at the end of your event that you have greatly exceeded your budget projection.

### Cost Sheet

Since each event will include different things there is no set formula or format for a cost sheet. As you start to build your cost sheet, walk through your event from beginning to end and start to build the outline. Then go back and fill in the costs. Remember to get all your estimates in writing, never accept verbal quoted. Today, staff changes are the rule rather than the exception – people are here today and gone tomorrow. You need written confirmation of what is and what is not included, make sure that your suppliers spell it out, have them be specific. Don't assume

Find out what additional costs may be added to the final bill and make sure you include them in your budget. Computer spreadsheets such as Excel allow you the flexibility to quickly see how your overall costs are affected if you have 350 or 500 guests. You can easily add and remove items and see how that affects the bottom line.

### Revisions

Keep updating your budget as items are added and subtracted and save these on separate files. Date and number them (i.e. Revision 1, Revision 2). You need to stay on top of your budget so that you can make informed decisions on what to include. As bills come in, make sure nothing is paid out until it has been reviewed. Make sure that what is submitted is what had been agreed on, with no hidden surprises. Adjust your cost sheet accordingly. As each bill is received, record the actual amount on your cost sheet and compare it to your projected figures. Are they accurate? Are there any costs on the final billing that you had not included in your original estimate? Be on the lookout particularly for items that were verbally approved and charged for, but not recorded. How do they impact on your bottom line? Do you need to make any budget adjustments in other areas to compensate for them?

As you move from the creative planning stages of your event into the actual operation, the items you originally decided to include may change. For example, you may decide to welcome your guests with a speciality drink that will require the rental of specific glassware as opposed to your

original plan for a standard open bar. This would have an impact on your budget projections. Little by little, the pennies add up to pounds, and the pounds can quickly escalate. If you are not keeping your cost sheet updated, you could find that you have blown your budget. By constantly updating your cost sheets, your budget will be close to being reconciled as you go into your event. It will also allow you to make those last minute additions that often come up, and knowing where you are financially allows you to make a responsible decision, such as whether you can afford to host the bar after dinner or set it up as a cash bar. Perhaps you now have sufficient funds left in the budget to include a farewell gift for your guests.

## **Itemising**

Itemising your costs allows you to see all the elements that must be included in each area and laying them out “storyboard fashion” allows you to do a visual walk through ensuring that you do not miss a step. For example, if invitations are being included in the costing, items you would need to consider and account for under invitations would include: the quality, the size (has a bearing on postage), the printing, the special touches, the quantity required etc. Envelopes for the invitations would also need to be considered. You would need to detail all the elements and costs that could apply to them: the quality, the quantity (have you costed in sufficient envelopes to cover any addressing errors or damage) or the printing (return address), how they are being addressed – by hand, printed labels or will the addresses be printed directly on the envelopes. All of the items mentioned above have a cost attached to them – be it actual cost of the item or the cost of labour. All these cost items must be accounted for in order for your projected budget to be based on realistic costs. No one wants to be presented with a £10,000 costing error after contracting – it can and has happened! By taking the time to lay each item out and factoring in all possible costs that could be incurred you can avoid costly errors. Walking through your event step by step on your Cost Sheet with the same detail and thought given to each item, no matter how seemingly insignificant will help you to fine tune your budget and reduce/eliminate mistakes.