

Planning and Executing Pre-Show Logistics

Financial Planning — Planning for Show Costs

Poor planning can result in missed deadlines, inadequate supplies of product, missed goals, lost sales and overage of budget.

Show participation costs vary. They depend on how much you want to do and how you want to use the space you have. Trade shows are both sales efforts and promotional efforts. The resulting enhancement to an exhibitor's image in his market cannot be bought in any other way. Shows are the only way to make such a large impact on the target market.

In every business, there are selling costs and there are promotional costs. Weighing the cost of a direct sales call against the per-qualified-lead cost of a show is a simple linear analysis. For any business, the cost of obtaining sales must be considered with the anticipated results. That's why so many businesses make shows a regular part of their annual promotion and sales budget. Planning for show objectives is so important, especially for the new show exhibitor.

If your show objective is to sell product at the show, a conservative sales goal is to sell enough to cover the cost of participating in the show. If planned and performed correctly, your show costs are liquidated by sales generated at the show. The tangible and intangible benefits you receive in your marketplace cost nothing after that. But when you compare the current cost of a direct sales call versus the cost per-qualified lead from a show, you will probably easily justify the cost of trade show as a sales tool.

How Much Does It Really Cost?

Show participation costs can be broken down into the following areas:

- ▶ Staff travel and expenses
- ▶ Booth furnishings
- ▶ Booth services/utilities
- ▶ Space rental
- ▶ Shipping and drayage
- ▶ Show promotion
- ▶ Installation and dismantle
- ▶ Special events

There is also an optional, amortization expense for booth design and construction.

A well-designed and built show exhibit booth typically pays for itself promptly through immediate direct sales and future market positioning. It can be used over and over again. Surprisingly, the cost of a superior custom-designed booth may be more than the entire costs of leasehold improvements to your place of business. But, in the course of three or four days, more people may see your exhibit than visit your retail or office establishment in the course of a year.