

11 Reasons to Outsource Your Event Planning to an Agency

In boardrooms everywhere, C-level executives are discussing how to handle their event planning needs. When asked why they don't outsource, the knee-jerk reaction of management is often cost. However, most of the time without realizing it, companies battle higher costs when they handle events internally.

Here are 11 reasons why companies should outsource their meeting and event planning to an agency:

1) **Lower Cost.** People in an agency get paid less than management people in a large corporation. So if an event is going to require 50 hours from someone, you are generally better off to go with the agency, rather than an internal staffer. In the long run it costs less.

2) **Compensation Package.** People in an agency generally have a less expensive benefit package. Agency contract people have no benefit package. However, people in a corporation usually have a strong benefit package -- generally 20-30% of their salaries. So if someone is making \$40 an hour, the real cost of that person to a corporation is \$48-52/ hour. Even if the agency person and the corporate person are both paid \$40/hour, the total compensation package for the agency person is less.

3) **Less Overhead.** On average, the overhead required to sustain a corporate employee, including heat, lights, power, equipment, space, furniture, human resource department functions, executive functions, etc. is 30-50% of an employee's salary expense and profit centers are usually charged an overhead "tax" to cover these things. That tax must be paid out of what the profit center nets on jobs or sales. But when an employee is event planning, instead of performing core functions, money to pay that overhead is not being earned. The company's investment is not being employed for what it was intended and is not earning a return. Agencies have overhead, too, but not as much, and it is built into the rates charged, not added on to the salary expense, as is done internally. In other words, if a company outsources event planning, none of its overhead investment will be wasted on non-core, non-valued added activity.

4) **More Efficient.** An agency or contract person who does events everyday for a living is likely to be more efficient than a corporate employee who only does events occasionally, and therefore is likely to spend less time on an event.

5) **Better Rates.** An agency person who does events for a living everyday is likely to have better supplier contacts and therefore be able to get better supplier prices than the in house event part-timer.

6) **More Focus.** Event planning is generally a distraction from the core business activities for which a corporate person is paid. When that corporate person is

planning events, and he or she is being paid to, say, manage the advertising program or the boss's schedule, the money is going out, but the core job is not getting done. So if it is to get done, the employer has to pay someone else to do it. So a manager is kidding him or her self if he or she thinks in-housing events is a savings.

7) **No Sales Loss.** This problem is compounded if the person tapped to do event planning happens to have a real job that is sales. There is a significant "lost sales opportunity cost," over and above the lost operational productivity cost described in 5) above, which can be calculated by taking that person's average sales per hour and multiplying it by the number of hours away from sales that must be devoted to event planning. Thus lost productivity is compounded with lost sales.

8) **Demonstrated Experience.** Quality generally suffers when an amateur, in-house, part-timer is used to plan events rather than a certified, experienced professional. When a top manager is counting on you to make him or her look good to the board or to the client or to the public or when an important customer's perception of your business is on the line, it is foolish to go with the insider.

9) **Insider Knowledge.** The advantages of going with an insider may be proprietary knowledge of the business, or experience with an event, because a person is a long time employee or has done the event year after year -- but these advantages can be matched by retaining an event planning agency over time.

10) **First Priority.** Another great reason to outsource events is that the agency serves you before all others in your corporation -- unlike the in house event planner whose time can always be commandeered by someone who outranks you, causing your event planning to go on hold.

11) **Easy Dismissal.** This may be the best reason of all: it is much easier to fire an agency than an employee. You don't have to document performance; you don't have to have dismissal approved by the Vice President. If the agency gets too expensive, or loses its enthusiasm for the work, you are not powerless to make a correction, as you often are with a tenured employee.

Carol Galle is a Certified Meeting Planner, and is President of creative corporate event planning agencies Special D Events, Inc. and The Anniversary Company in Royal Oak, Mich. For more information about Carol or her companies, call 248-336-8600 or visit www.specialdevents.com or www.theanniversarycompany.com