

# PLACE – NEGOTIATION EXAMPLES

In one of my recent event training programs I was surprised when a few people in the room thought the price they were quoted from a venue was the price and that's it. Intrigued and wanting to know more they asked me "Am I able to negotiate rates with venues? If so, what's up for negotiation?"

The short answer is that anything is up for negotiation, you just have to ask. The purpose of writing this book is to not give you the short answer but help in the planning of your event so let's explore this a little further.

When talking about negotiation I certainly don't mean this in a negative sense. Negotiation doesn't have to be about heckling down to the lowest possible price. I don't believe in this, as your aim is to have a great working relationship with the venue and other event suppliers you select to work with you on your event.

If you get a quote back from a venue you really love and their price is a little higher than the rest, don't discard this option. Be honest with your favourite venue and tell them "You are my favourite venue but your price is a little higher than the venue down the road, is there anything you can do?" They will appreciate your honesty and the fact that you have given them the opportunity to win your business, as ultimately it helps them if their function space is full. I am sure there are many cases where some of you have made a venue selection based on the initial price given to you. Was there one venue that you would have loved to book but it was too expensive? Give each venue the opportunity, there is no harm in asking a question right?

When running events we are creating new experiences all the time, venues understand this and even if they do have a 'standard package' I am sure that most would be happy to tailor a solution to your individual event. This is where it is important to be upfront with the venue regarding your budget so they can help create a package that suits your event.

I also want to share with you some real event examples, where we have saved our clients significant amounts of money by being honest with the venues and given them the opportunity to come back and tailor a package.

## **National Conference - Total saving = \$22,448**

Last year one of our beloved clients held their national conference in Melbourne.

Below are the savings we negotiated for their event:

- \$1,800 saving on room hire for event bump-in.
- \$4,410 saving on room hire over 3 days.
- \$7 saving on accommodation per room, per night x 657 rooms = \$4,599 saving.
- Accommodation rate was for bed and breakfast, we negotiated to have breakfast on consumption. Breakfast @ \$37 per room, per day x 657 rooms = \$24,309. Only 511 breakfasts were consumed x \$37 = \$18,907 saving \$5,402.
- Discounted parking at \$5 per car instead of \$10 = \$2,660 saving.

## **Product Launch + National Conference - Total saving = \$11,040**

We were sourcing a hotel in Sydney for 80 guests over three days. Our first venue choice was booked on our preferred days being Tuesday, Wednesday, Thursday. The venue let us know they had Wednesday, Thursday, Friday available and asked if we would consider moving the conference to a day later. We worked with the venue to create an incentive for our client to change the days of their conference. The result was:

- Accommodation from \$280 per room, per night to \$240 per room, per night = saving of \$40 per person x 80 guests x 3 nights = total saving \$9,600.
- Day Delegate Package from \$80 per person to \$74 per person = saving of \$6 per person x 80 guests x 3 days = total saving \$1,440.

## **Conference + Exhibition - Total saving = \$2,252.36**

By bringing in an external audio visual company not only did we save money from the original proposal but put forth our own improvements to the floor plan allowing us to orient the room in such a way that we had two large screens (as opposed to one) at the front of the room, allowing clear vision for all guests.

## **Awards Evening - Total saving = \$2,000**

We have been holding a particular awards evening at the same venue for the past seven years. Our client and their guests love the venue as it provides a stunning backdrop without the expense of theming the room. As we are holding this event at the same venue for the 7th year in a row we have been able to secure a special rate saving around \$2,000. This is done by locking in a menu and beverage package that is not subject to yearly price increases.

## **Sales Conference - Total saving = \$20,035**

Our client came to Venues 2 Events as they were not happy with their previous event management company. From the previous event managers correspondence our client believed the total venue bill would be \$40,000. Fortunately the venue contract had not been signed as when we reviewed the contract and spoke to the venue there were additional costs of \$20,000 in venue set-up time and audio visual costs that our client was until now, unaware of.

We started work on saving our client as much money as we could. By arranging a 4am event bump-in time instead of a half day prior, bringing in an external audio visual supplier, having chefs selection canapés, beverages on consumption and a little tweak to the day conference menu we saved \$20,035 bringing the total back to the original \$40,000 that my client had based his event on. We still provided the same quality of food and a superior audio visual set-up without having to change venue which would have compromised the integrity of the conference.

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I hope this has provided you with a better understanding of negotiation. Negotiation is about finding a solution that works for everyone, giving your event suppliers the opportunity to contribute and work with you to create the best outcome for the event.