

# **How to Start an Event Planning Business in Townsville**

**BY BECKI CROSS**

## **Abstract**

A party planning business can be a fulfilling and profitable opportunity for someone who is social, organised, detail-oriented, and has a flair for entertaining and coordinating events. Unlike other startups, a party planning business does not require much capital or dedicated space. However, figuring out how to start a party planning business does require some basic steps that are similar to all home based ventures, as well as those that are unique to the field.

## **Introduction**

Daydreaming right now from your cube or home office about the notion of starting an event planning business? Perhaps you've been working in the events and meetings industry for several years and think that now is a good time to figure out how to work for yourself. Or maybe you've helped organise a few events in the past and feel that this could be your life's passion. These are all good reasons to pursue this profession. But anyone who contemplates the fantasy of starting their own event planning business must follow some important steps before you even beginning to talk to clients.

## **What Is Event Planning?**

This question actually breaks down into two questions: What kinds of events are we talking about? And, what is event planning?

First things first. Generally speaking, special events occur for the following purposes:

- ❖ Celebrations (fairs, parades, weddings, reunions, birthdays, anniversaries)
- ❖ Education (conferences, meetings, graduations)
- ❖ Promotions (product launches, political rallies, fashion shows)
- ❖ Commemorations (memorials, civic events)

This list isn't an exhaustive one, but as the examples illustrate, special events may be business related, purely social or somewhere in between.



Now we move to the second question: What is event planning? Planners of an event may handle any or all of the following tasks related to that event:

- ❖ Conducting research
- ❖ Creating an event design
- ❖ Finding a site
- ❖ Arranging for food, decor and entertainment
- ❖ Planning transportation to and from the event
- ❖ Sending invitations to attendees
- ❖ Arranging any necessary accommodations for attendees
- ❖ Coordinating the activities of event personnel

- ❖ Supervising at the site
- ❖ Conducting evaluations of the event

How many of these activities your business engages in will depend on the size and type of a particular event, which will, in turn, depend on the specialization you choose.

### **Why Do People Hire Event Planners?**

This question has a simple answer: Individuals often find they lack the expertise and time to plan events themselves. Independent planners can step in and give these special events the attention they deserve.

### **Who Becomes An Event Planner?**

Planners are often people who got their start in one particular aspect of special events. Business owner Martin Van Keken had a successful catering company before he decided to plan entire events. Many other planners have similar stories. This explains why planners often not only coordinate entire events but may, in addition, provide one or more services for those events.

Event planners may also have started out planning events for other companies before deciding to go into business for themselves. Joyce Barnes-Wolff planned in-house events for a retail chain for 11 years and then worked for another event planning company before striking out on her own.

### **Becoming Certified**

Consider getting a degree or certificate from a local university in event planning or management. A list of colleges and universities offering educational opportunities in this field is available from Meeting Professionals International (MPI).

Also consider working to become a CSEP (Certified Special Events Professional) or CMP (Certified Meeting Planner). These designations are given out by ISES and MPI, respectively. Many corporations, and some members of the general public, look for these designations when hiring

planners. Because of the research and study it takes to become a CSEP or CMP, clients know that these planners are professionals.



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## **1.0 Doing Your Homework**

### **1.1 Figure out what kind of party planner you would like to be**

While many party planners dabble in multiple customer and event types, most others find their niche and specialize. While you can always change your business later on, it's helpful to think of these questions in its planning phase.

What kind of client do you want to focus on? There are two main customer markets for a party planner: corporate and social. Corporate party planners organize events, such as major meetings, retirement parties, receptions, conferences, and trade shows. Social events, on the other hand, make up the category most of us think about when we hear "party." These cover a wide

range of occasions, including birthdays, wedding receptions, baby showers, and family reunions.

What types of parties do you want to plan? Many party planners pick a niche they enjoy most. This can be an event type, such as birthday parties, or a particular style or theme you may offer.

Do you want to work with kids? Parties for young children are very different from family and adults-only gatherings. Everything from decorations to entertainment to refreshments must be tailor-made for the right age group. Because of this, some party planners choose to specialize in children's parties. Others prefer not to plan these types of events.

## **1.2 Consider your education and background.**

While a college degree isn't necessary for starting a party planning business, many party planners hold bachelor's and advanced degrees in a variety of related fields. College majors that offer valuable skills for a would-be party planner include business management, marketing, and hospitality management. Some colleges and professional organizations also offer certificate programs in event planning specifically.

## **1.3 Talk to an attorney or someone else knowledgeable in local small business law.**

Although party planners don't typically need a license, some state and local governments may require it. Because parties often involve large, possibly unruly crowds, it is also prudent to invest in liability insurance for your business. This will help protect you in the event a guest is injured or causes damage to the party venue. Talk to your lawyer about what kind of coverage may be right for your business.

## **1.4 Learn more about the party planning industry where you live.**

Do some research on which other party planners and companies organize events in your area. Try calling or visiting and ask them a few questions.

Get information about local competitors and take their styles and focus into account. Keep this in mind when determining your niche. Try to set yourself apart as unique in some way by offering a different type of service or experience.

Ask around for possible new business contacts and find out more about local event venues. As a party planner, you will need to know a wide variety of reliable local caterers, suppliers, entertainers, and other professionals. It will be your job to organize and coordinate these disparate elements to create a memorable event.

### **1.5 Write a business plan.**

Write out exactly what niche you plan to fill and how your business will accomplish this.

Create a market analysis for your industry. Use the information you gathered earlier to determine the size of your potential market. Determine the rates you will charge for your services and the income target you will need to aim for.

Estimate any startup costs that may be required, such as initial advertising fees and an office space rental if you aren't working from home. Figure out if you can fund your business yourself or if you need to take out a small loan to cover initial costs.

## **2.0 Starting Out**

### **2.1 Choose a name for your business.**

Pick an unambiguous name that will tell potential clients exactly what your company does. It could be something as simple as "[City Name] Formal Event Planners." Try to find a name with a simple available web address.

Use the Patent and Trademark Office's trademark search tool (or your country's equivalent) to check potential names against existing trademarks. If your business's name is similar to one already registered, it's best to pick another.

You will may need to register your company as a "Doing Business As" name with your state or county government. Consult local business laws to find out.

## **2.2 Register your new business if necessary.**

Check local and state business laws to determine if your business requires any type of registration, licensing, or permits.

Aside from tax collection, party planners in the US are not typically subject to any special types of business registration. However, be sure to double-check with your state and local government's policies before doing business. You can use the Small Business Administration's website as a guide to help you.

## **2.3 Set up your office.**

Although minimal compared to other businesses, you will still need some space to do your work effectively. Many party planners simply use their home office. You will need a personal computer and a printer capable of large batch stationary and advertisement jobs. Your office should also have a place where materials like party supplies may be stored safely and away from grime. A large closet and/or a few storage bins may be all you need.

You may choose to rent out a permanent office space or a temporary meeting room when seeing clients.

Many professionals who work from home see clients in public spaces, such as a coffee shop or restaurant.

## **2.4 Set yourself apart from your competition.**

Consider what types of parties you specialize in and compare your style to other party planners in the area. When advertising your services or meeting with clients, be sure to emphasize what makes you unique.

In the early stage of your business, it may make more sense to be a "generalist" and plan a variety of very different kinds of parties. As your reputation grows, you can start focusing more on specific types of parties, becoming a "specialist."

## **2.5 Price your services properly.**

Party planner rates vary widely, ranging from \$12 to \$150 per hour. There are a variety of factors to take into account when setting prices for your business.

What are the typical rates for your location? Look at your competitors' rates to get a good idea of what to charge. In general, areas with a high cost of living will result in higher hourly rates.

How much experience do you have? A planner with previous professional party planning experience will command a higher rate than one just starting out. To attract clients, you may have to start out low and gradually raise your prices over the years as you gain a positive reputation.

Are you charging on a strict per hour basis or are you adding markup fees? A standard practice in the party planning field is to charge a markup fee of around 15 percent for each item you contract. For example, if you coordinate an event where the venue costs \$500 and catering \$200, you may charge for your billable hours plus \$105. In contrast, some party planners charge for billable hours plus a flat "project fee." This billing method is more common among corporate party planners.

## **2.6 Be flexible and prepare for the unexpected.**

As anyone who has planned an event knows, plans can change. A successful party planner must be prepared to throw a successful party no matter what happens. Your caterer may get sick or the venue's roof may collapse the day before. Don't panic. Instead, have backups for every event. Have a long list of reliable caterers, venues, and entertainers with overlapping skills and specialties.

This is especially important when planning outdoor events. Predicting the weather is difficult from day-to-day, but as a party planner you will regularly make plans months in advance. There is no way of knowing that far ahead if you may be dealing with inclement weather. Be sure to be able to change venues or provide cover for your guests at a moment's notice.

## **3.0 Growing Your Business**



### **3.1 Market your business effectively.**

In the early phase of your party planning business, marketing is crucial to establish a reputation and customer base.

Make sure your website is aesthetically pleasing and easy to navigate. Try to have your company's name and contact information written clearly on each page.

Create flyers that show off your graphic design skills. Distribute them door to door and ask local businesses to display them on their corkboard.

Tell family and friends about your new business and ask you to recommend you to anyone they know who is looking for a party planner.

### **3.2 Have a strong social media presence.**

Social media is an incredibly effective advertising method that is often free to use. Register official accounts for your business on popular websites like Facebook, Instagram, Twitter, and YouTube.

If current and potential clients submit questions through these channels that are broadly applicable (such as your rates or specialties), reply to them publically for others to see. Actively and directly engaging with customers will show them that you care.

If you're trying to drum up business for a specific holiday or party type, try posting with appropriate local hashtags.

Showcase your talents by uploading photos and videos of successful parties you have planned. Be sure to always obtain express written permission from your clients if they are featured in them.

### **3.3 Solicit reviews from your clients.**

When a client is happy with the party you've planned, ask him or her to post a review of your services. Don't ask for a positive review or mention a specific website.

Register your own account on applicable review websites. Thank reviewers for their time. Address any concerns or negative reviews honestly and maturely. Remember that these posts may be your first impression with potential future clients.

### **3.4 Volunteer your services.**

Donate your time to help with community events, such as school functions. While this will be a lot of work for you, it will be good exposure and excellent advertising for your company. Make sure to include your business's name and contact information on all materials where it would be appropriate to do so. For example, it's common to have such information on the back of any paper programs.

### **3.5 Keep networking.**

As a party planner, good networking skills are crucial to make your business run smoothly.

Always be on the lookout for new catering services and entertainers in the area. You never know when a client may request a type of food or performer you don't have an established contact for. Additionally, businesses may eventually move or shut down. It's important to keep your contact list fresh.

Go to event planning trade shows to meet other planners and service providers. You can learn about new trends and developments in the industry or continue your education. Trade shows are a great way to get inspired to try something new with your business.

## **4.0 The Event Planning Recipe for Success in Townsville**

Here are some of the pitfalls specific to the event planning industry:

- ❖ **Misunderstanding your client's requirements.** If your client wants a con-servative business meeting and you deliver a Roaring Twenties theme party, you're in trouble. Although this is an extreme example, remember that you need to know all your client's requirements in detail before you can arrange a successful event.

- ❖ **Poor choice of vendors or site.** Do your homework. Contract with reliable, repu-table vendors who can meet your clients' needs exactly. If your caterer serves a terrible meal, it's the caterer's fault that he or she can't cook. However, you're the one who made the hiring decision, so you'll take the blame. Be sure you can count on your vendors. Vet vendors carefully.
- ❖ **Lack of coordination between you and your team.** Make sure you have a cooperative, "well-oiled" team (employees, vendors and temporary staff) around you and that everyone understands their respective roles in the pro-duction of the event. You know the adage—you're only as good as your weakest link. Avoid weak links!
- ❖ **Inaccurate estimates.** Your estimates should be as accurate as possible. If events go far over budget, your clients may end up having to pay more money than they can afford. Clients may feel "taken to the cleaners" if you come in substantially higher than you originally estimated. If, on the other hand, you consistently come in at or below your estimates, you'll be eating expenses because you inaccurately estimated costs and can't pass them along to your client, and that's a quick way to stop your business in its tracks.
- ❖ **Inadequate control of costs.** Take every reasonable opportunity to save. Pay atten-tion to where money goes. Compare costs and choose wisely.
- ❖ **Poor cash flow.** One of the most effective ways to counter this is to require client deposits.
- ❖ **Inadequate insurance.** Make sure you carry enough insurance to protect yourself in case anything goes wrong at an event. Most planners carry about \$1 million of liability insurance. If you don't have enough of the proper insurance, and if you're involved in a lawsuit, you could end up in bankruptcy.
- ❖ **Poor customer service.** The golden rule in the event planning industry is to make the event right. Nancy Lavin, a regional vice president of an asset management firm, has hired event planners for hundreds of events. "I understand if prob-lems arise at big events," she says. "However, the complete deal breaker is poor service."

Now that you know some of the problems that can undermine an event planning business, be alert for any danger signs. If you react quickly enough, you can prevent financial disaster from striking.

Much of effective troubleshooting is within your control and consists simply of making adequate preparations. Before every event, take a few moments to think through “what ifs” and plan crisis management strategies with your staff. Try to anticipate where problems might arise and plan for them. This strategy can be as simple as having backups for resources that are critical to an event’s success. Remember, the best way to deal with unforeseen circumstances you can’t control is to remain as flexible as possible and be willing to try new strategies.

### ➤ **Recipe for Success**

Besides being a good troubleshooter, what strategies can you adopt to give your event planning business the best possible chance for success? Here are some quick tips:

- **Stay calm.** “It sounds like simple advice,” advises event planner Cheryl Hagner, “but if you’re able to stay calm—even when the kitchen has been accidentally set ablaze by the caterer—then your client will feel calm and reassured, too.”
- **Create good energy at every event.** “You get what you give,” says planner Lauren Polastri. “Always try to establish a friendly relationship. It’s a much nicer way to do business.”
- **Acquire professional training.**
- **Provide the service you say you will.** Use written contracts, and stick to them. And keep good records.
- **Concentrate on the type of planning you do best.**
- **Create a reliable team around you.**
- **Try to be one step ahead, and expect the unexpected.** “There’s always something that will go differently than planned,” says planner Martin Van Keken. “You’ve got to be ready for that.”

- **Make your clients happy.** “In this industry, there's no right or wrong except to make the client happy,” says planner David Granger. Doing the work and getting it right is what matters.

Developing a strong customer base, paying close attention to clients' needs, finding a niche, and coping with a changing economy are all proven ways to keep a business successful and out of financial difficulty. Remember to periodically ask yourself the following questions:

- ✓ Have I carefully analyzed the demand for my services, monitored the market-place, and adjusted to changing conditions?
- ✓ Have I found a niche that provides me with enough events to plan, without involving too wide a range?
- ✓ Do I have an accurate and realistic amount of cash reserves?
- ✓ Do I have a business plan and mission statement?
- ✓ Are my services priced accurately?
- ✓ Have I kept my overhead costs to an absolute minimum?
- ✓ Have I created a good team, with well-chosen staff and vendors?
- ✓ Does my company provide the kind of customer service that keeps clients coming back?
- ✓ Do I market my company effectively?

Event planning is a “happy” industry. You have chosen a field that will allow you to create wonderful memories for many people. If you do just that, success will follow.

## **5.0 Get 5 Quick Event Planning Quick Tips**

If you're interested in acquiring some quick tips for your event planning toolbox, you've come to the right place. Event planners face hundreds of challenges in their career and what better way to learn than from a seasoned professional who's devised an innovative solution to some of the most common challenges. ConventionPlanit.com collected more than 175 event planning tips from meeting and event planners as part of its Stellar Tip Contest. ConventionPlanit.com is a commission-free search directory available to meeting professionals.

The following highlights a few tips offered by colleagues in your profession:



➤ **Reduce Room Attrition Fees**

A day or so before your event, find out if your hotel is booked. If so, you can use that to get them to waive any attrition fees you may have incurred. This worked out beautifully for an event at the well-known Bellagio.

➤ **Arrive an Hour Early for a Site Visit**

Show up at least one hour before your scheduled site inspection, and make your visit unannounced. Spend that hour walking around and try to interact with staff members as though you were a guest and ask a lot of questions. Ask for directions and ask "difficult questions" as though you were a novice traveler. Look at the restaurant and, time allowing, eat in one. If you find things are not up to snuff, you'll save yourself (and the sales manager) a lot of time and embarrassment. With the time you've saved get on the stick and do a spur-of-the-moment inspection of another hotel and book that one.

➤ **Use a Tree Stanchion for Lanyards**

As any planner or registrar knows, those string, lanyard badges can get tangled easily and make a mess of the registration area. A simple solution is to purchase a necklace stanchion, either online or at a local store. Some event planners will place a sign on top of them. Submitted by: Christopher Gossett Conference Coordinator, with Investment Company Institute, Washington, DC.

➤ **Reserve the Last Rows to Fill the Front Rows**

Nothing looks worse than empty tables in front of a stage (or staging area) on banquet night, especially when there's a guest speaker. One solution is to put reserved signs on the last two rows of tables in the ballroom which forces people closer to the stage. Once the front tables are filled you can pull the reserved signs and fill the tables in the back. Submitted by: Dan Lough Project Coordinator, with United Transportation Union, Cleveland, Ohio.

➤ **Use a Fishing Tackle Box for a Supply Kit**

Purchase a fishing tackle box and put miscellaneous items you might need such as pens, stapler, staples, paperclips, a box cutter, scissors, velcro, batteries, a sewing kit, and a first-aid emergency kit. This way everything is organized in one place and will save you time because you won't be running in different directions looking for things. Make sure you have a list of your tackle box contents and restock it when as soon as you return home so you're prepared for your next meeting.

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