

Developing the Budget

After you decide to create an event, you *must* develop a budget. There simply is no next step that makes any sense, and frankly, the bulk of your decisions from this point forward will somehow hinge on your bible, the "almighty budget."

As the budget will point out, there are seemingly an infinite number of details to deal with when planning and organizing an event. For me, the details on the revenue side have always been a bit more interesting than the details on the expense side. Generally, I like creating revenue more than I like focusing on where the money is

spent and how the implementation of the operation happens. This may be true for you as well, but keep in mind that you can get in trouble if you overlook the expense and operations side of the event. By paying particular attention to all of the points in this chapter, you can avoid many pitfalls.

Probably the best way to understand the purpose and structure of an event budget is to go through each item line by line, keeping in mind that the budget that you start with will not necessarily be the budget that you end up with. As your event takes shape, you will find that certain things that you expected are unnecessary, and others cost more or less

than you thought; still other items that you didn't plan on needing for your event become a requirement. You have to remain flexible but still try to stay within the total expense parameters that you set up at the outset. Note that in the time line for Skating Goes Country the budget gets revised four or five times. Actually, it probably got reviewed 10 or 12 times, if not more. The point is that the budget is your bible, and it takes discipline to stay within it.

As an event producer you will often want to spend more for things that will enhance the look of the event. As a businessperson, you have to temper your creative side to maximize profits. The budget is where this dichotomy comes to a head, and if you learn nothing else from my experiences, learn to let the business side have more influence than the creative side. Flair for the creative is what will make your events great. Control over the budget is what will make them profitable. You decide where to draw the line!

With that in mind, on the following pages I will take you through a generic event budget, making introductory comments on each line item. Virtually any event in any sport can get started using this budget format as its underlying guide. From this basic starting point you



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will be able to build something that fits the very specific needs of your particular event. When you combine this information with everything else we will discuss, you should have the tools to make the judgments necessary to manage a successful sports event.

LINE ITEMS

Every company or event manager will develop a unique format to his or her budget. Some managers even have their own terminology. At StarGames, our budgets break down along the lines outlined in the following section. Keep in mind that every item discussed in this chapter will appear again in different contexts throughout this book. This will not be the only reference to the budget.

The Budget

Revenues

Title sponsor	\$ _____
Presenting sponsor	\$ _____
Official sponsors	\$ _____
Ticket sales	\$ _____
Merchandising	\$ _____
Program	\$ _____
Domestic television	\$ _____
International television	\$ _____
Commercial sales	\$ _____
Ancillary events	\$ _____
Miscellaneous	\$ _____
Subtotal	\$ _____
Less fees to third parties	(\$ _____)
Total revenues	\$ _____

Expenses

General and administrative (G & A)

Personnel	\$ _____
Office rent	\$ _____
Office supplies/equipment	\$ _____
Insurance	\$ _____
Travel/hotel	\$ _____
Entertainment	\$ _____

Trademark search	\$ _____
Total G & A	\$ _____
Talent	
Compensation/prize money	\$ _____
Travel	\$ _____
Hotel	\$ _____
Food and beverage	\$ _____
Gifts/trophies/parties	\$ _____
Local transportation	\$ _____
Judges/officials	\$ _____
Physicians/trainers	\$ _____
Total talent	\$ _____

Production

Sound/flights	\$ _____
Site preparation	\$ _____
Crew	\$ _____
Travel	\$ _____
Hotel	\$ _____
Food and beverages	\$ _____
Music clearance	\$ _____
Practice facility	\$ _____
Local transportation	\$ _____
Props/decorations	\$ _____
Costumes/uniforms	\$ _____
Makeup	\$ _____
Total production	\$ _____

Facility

Rent	\$ _____
Stagehands/crew	\$ _____
Security	\$ _____
Box office	\$ _____
Stadium	\$ _____
Port-a-johns	\$ _____
Utilities	\$ _____
Total facility	\$ _____

Television production

(see appendix C for a complete breakdown)	\$ _____
Total television	\$ _____

Sales and marketing

Advertising	\$ _____
Media/public relations	\$ _____
Advertising production	\$ _____
Design fees	\$ _____
Collateral materials	\$ _____
Direct mail/ticket order forms	\$ _____
Sponsor costs	\$ _____
Entertainment	\$ _____
Postevent parties	\$ _____
Photographer	\$ _____
Merchandise—cost of goods	\$ _____
Program	\$ _____
Events	\$ _____
Ancillary events	\$ _____
Total sales and marketing	\$ _____
Miscellaneous	\$ _____
Total expenses	\$ _____
Profit/(loss)	\$ _____

(We hope this last line will always show a profit!)

EXPENSES

The budget I just outlined lists revenues first, but I will begin this discussion with the expense side of the event because it is a bit more predictable and will give you a feel for how much revenue you will need. We will then come back to the revenue side.

General and Administrative

G and A," as it is often called, is where I always try to start in creating the budget. This section covers all of the "must have" items, such as people, office space, and telephones, that are needed to run any business. This section can also be a catchall area for basic items you are not sure how to categorize. While some events may not have every budget category (your event may not be on television, for example), they all require the administrative elements that fall into this first section of the budget.

Personnel

For the most part, this category is pretty straightforward. It includes all of the office staff that you hire for the event. That number will vary widely from event to event based on size, complexity, and location. This figure should reflect not only your staff's salary but also all of their benefits (e.g., health insurance, vacation pay, and the like. We typically budget 20 percent of salary for benefits.). Some of these will be full-time people; others will be part-time. Some will be on a salary; others will be on a commission. You may not have to provide benefits to part-time employees whom you hire as independent contractors, so have your accountants review this thoroughly.

This line item does not include consultants, which I define as any outside firm or individual you hire to help you out in a specific area. These could include the television producer, head of operations, and so forth. We make these hires separate line items because their jobs are usually outside the scope of your day-to-day staff. The only time personnel gets at all tricky is when you or your company puts on several events. In that case you should allocate a portion of the cost for any of your staff that spend time on a particular event so that you can most accurately determine whether you made a profit. If you don't allocate these expenses, you have what I call hidden personnel costs, which can be a devastating drain on event profitability. Make sure you include in this line item everyone who spends time on your event, no matter where they work from.

Office Rent

Again, this is not a complicated line item. It is simply the amount of money you pay for renting the office or offices that are specifically set up for your event. For example, for the King of the Beach event, we never held this tournament in the same city as we were based. So each year we had to open an office in Daytona Beach or Las Vegas for a couple of months before the event. The rental cost for that local office was a direct expense of the

tournament and was charged to the King of the Beach budget. Similar to the personnel line item, if people who contribute to the event are working in other offices, you need to charge to the event a pro rata portion of the rent of those offices.

Office Supplies and Equipment

Office supplies include items such as pens, paper, copying machines, fax machines, telephones, paper clips, and rubber bands. In short, this line includes all the typical items that you need to operate the office and to support the event. If you want to be very detailed in your accounting, you could have a separate line for each item. To avoid driving ourselves crazy, however, we generally lump together the minor items and then have separate lines for major expenditures, such as telephone, fax machine, copying machine, and the like. Because these are the items that you will pay monthly rental for (unless you own them), they can easily be tracked. If you spend \$1.19 on paper clips, it doesn't need its own line item!

Insurance

You will need a couple of different types of insurance—liability, television, errors and omissions, and so on. I will cover these in detail later. I bring it up here as the first of several reminders. *Don't forget insurance.* It may never come into play (we hope!), but it lets you sleep better at night.

Travel/Hotel

Travel refers to any expenses for trips, meals, local transportation, hotels, and so on that event staff incur while working on the event. As you will see, there are other travel line items in other categories of the budget that deal with talent, officials, production staff, and the like. You may want to set parameters (e.g., coach class travel, per diem spending, Satur-

day night stays, doubling up in rooms if more than one person is traveling) for staff expenses so that you can keep close tabs on everyone. Regardless, be sure to keep receipts for any expense over \$25. This can be a nuisance, but make sure that you are a stickler about this policy because the IRS can ask to see them all. Travel expenses can add up in a hurry, so don't be bashful about requesting Saturday night stays, requesting corporate rates, and so on.

Entertainment

As with travel, a line item for entertainment shows up in various parts of the budget. In this section, entertainment refers to money spent trying to woo sponsors, site managers, television partners, athletes, and others to participate in your event. This might include dinner with a prospective sponsor, a gift for a potential participant, or tickets to a game for the site manager. Remember that much of what you will do is selling, and that requires more than just a good pitch. The sales process includes entertaining those you have targeted as potential partners, so make sure you budget for this as it very well could be the most effective, although least visible, money that you spend.

Trademark Search

I am using this as a catchall phrase to include anything related to protecting your intellectual property rights, such as the name, logo, concept, or format of your event. As I will stress throughout, in today's marketplace the ownership of your trademark or copyright is very valuable. Spending a little money on protecting yourself in this area can go a long way. For example, we own the name Halloween on Ice. We *don't* own King of the Beach. Last year someone paid us to use the Halloween on Ice name and logo. We have annually paid some-

one else to use the King of the Beach title. *Big difference.* You may have to hire a law firm with expertise in this area, but the protection you buy will be worth the expense. If you don't think you can afford to hire someone, contact your state's patent and trademark office. The bottom line is that you should try to protect any unique creation that you conceive.

Talent

There is no event without the talent. While you may never want to admit this in your negotiations with them, it is a fact. Your budget should include a generous allocation for taking care of all of the needs of the talent, or as many as possible. If you take care of the talent well, you put yourself in a much better position to have a great event. But taking care of the talent can get pretty costly, so you have to figure out where to draw the line. I like to include anything and everything that is related to talent under this section of the budget, even though one could argue that items such as officials and judges could come under Production or some other heading. In my mind, however, the officials really are most closely associated with the athletes. As I stress throughout, try to make your event player friendly . . . and that starts with the budget.

Compensation and Prize Money

Another straightforward budget item, this is where you itemize the cost of paying the athletes to participate in your event. If you are paying appearance fees for an exhibition tennis event, they go here. If you are putting up \$100,000 for an LPGA event, it would go here as well. If your event is a 10K in which the only "compensation" is a trophy, you can put that here or in the gift/trophy/parties line discussed later.

Travel

This is the second of three travel lines in the budget and represents the total cost of get-

ting the talent (and their companions, if necessary) to the event. This includes airfare, taxis to the airport, limousines, and buses. As you can see, it does not include the hotel and local transportation costs once the athletes are in the city where the event is taking place. These are included on separate lines.

Hotel

You will find this line item a few times in the budget as well. Here it reflects the cost of housing the participants while they are in town for your event. Try to work out a trade or discount deal of some sort to keep these costs down. They can get expensive if you have a 32-team beach volleyball event (64 players) or a 144-field golf tournament and you are paying for everyone's hotel rooms!

Food and Beverages

Depending on the deal you make with your talent, this category can be related simply to the food provided to the players on site, or it can include on-site food and all other meals that you have to provide. If, in addition to providing food on site, you are paying the participants a per diem, I suggest you break this into two line items.

From my perspective, feeding the athletes is an important element of your event because it is very visible to them and certainly memorable. You don't want to have the participants complain of being unable to perform at peak levels because they were hungry, either because there wasn't enough food or because what was provided wasn't edible. I also think that the food and beverages that you supply are indicative of whether you are player friendly. As a tournament organizer, you don't want to get a bad rap, so spend a few extra bucks and make sure there is enough food.

In terms of drinks, remember this: Water, water, water. It is the simplest drink, but it is also the most likely to please everyone. Sure, you should have soft drinks, juices, energy replacement drinks, and the like, but

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you can never go wrong with water for a tired athlete.

Gifts, Trophies, and Parties

Let's start with the trophy. Most professional athletes I have been in contact with generally don't care that much about the trophy—unless it is their first one! In fact, for some, trophies are more of a pain than anything else. If the winner happens to live far away and is going on to another event before going home, he or she has the logistical issue of transporting it. You can choose to ship it, but unless it is something special that has a lot of tradition and history, it just might not be that meaningful. On the grassroots level, the feeling is probably just the opposite. The trophy will find an important spot in the winner's home.

Regardless, for the event and your sponsors—who are always looking for additional press coverage—a really nice trophy can mean some valuable extra ink. So, don't forget to order a trophy. During the first year of the King of the Beach Invitational I went to the tournament manager on the day of the final and out of simple curiosity asked to see the trophy. She looked at me as though I had two heads and only then did we realize that we didn't have one. She was pretty resourceful and ended up getting a sterling silver serving tray from the hotel restaurant. No one knew the difference. However, we didn't get much press coverage for our beautiful trophy.

Conversely, when we moved to the Hard Rock Hotel, someone had the idea of making the trophy an electric guitar, which has since become one of the trademarks of the event. Virtually all of the press coverage coming out of the last day of the tournament includes photos of that great trophy!

Participants may not care about the trophy, but for some reason the participants at every level of competition seem to find room to

bring home their gifts from the event. Whether you give them a T-shirt, CD, or fleece jacket, everyone loves getting the event gift. Some of them are spoken about for years, and many of them serve as billboards for your event as participants wear them all over town or around the world. You don't need to spend a fortune on this item, but make sure that you put some thought into it and make it part of your event.

Parties fall somewhere between trophies and gifts. Depending on the time, place, food, invitees, and so forth, the participants can take them or leave them. If you are running a grassroots event, parties will be more appreciated than if you have a professional event in which a lot of money is on the line. At the professional level, parties can become almost more of a distraction.

Gifts, trophies, and parties come down to your budget and how you want the athletes to remember their stay at your event. You don't have to go crazy on these things, but make sure that what you do is tasteful and well scheduled.

Local Transportation

Where gifts are a nice add-on, local transportation is a practical necessity. How would you explain to your audience that one of your star performers missed the event because he couldn't get a ride to the site? In chapter 1, I mentioned briefly the example of the Volvo International in North Conway, New Hampshire. In the middle of the summer in this small New England town, it could take 15 minutes to get from the hotel to the site... or two hours. That's right. There was a two-lane road that ran the five or so miles between the two. If the weather was good and the stadium sold out, the cars could back up for miles, so the tournament director had a helicopter standby so that no one could ever say that the traffic caused them to miss the match. We

cially may be local and may even be volunteers, depending on the level of event. Whether they are paid or volunteers, you should still make sure that they have food, drinks, parking passes, access to transportation, and gifts. The outcome of your event may come down to an accurate call or judgment by the officials. Don't let a mistake happen because you did not take proper care of the judges, leaving them tired or short staffed.

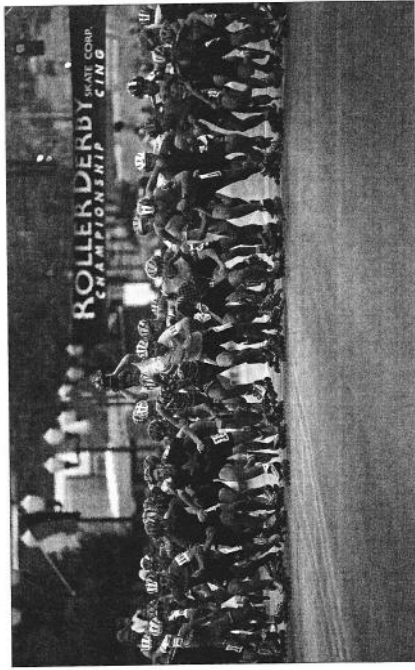
I will talk later about our event in Antwerp, Belgium, where all of the players got a police escort to the stadium.

You don't necessarily need to go to these lengths, but you should make sure to provide plenty of transportation to and from the airport, hotel, and site so that none of the athletes have to wait too long to get a ride to where they are going. Yes, this will make them feel important and well taken care of, but it will also enable you to keep your mind on operating the event.

From a budget standpoint, you should be able to trade tickets and other exposure with local taxi, limousine, bus, rental car, or other agencies. You can usually get volunteer drivers for all of your cars. Local transportation doesn't have to cost that much, but it is one of the areas that you just cannot skimp on.

Judges and Officials

This is another necessity of the event. You don't have to provide first-class transportation or accommodations for the officials, but at the same time, the event really can't go on without them. I have had the opportunity to work with three of the best officials—Dick Johnson and Frank Smith in tennis and Matt Page in beach volleyball. These guys may be behind the scenes, but they make the event run smoothly. Find out the going rate for officials, give them the free reign to do their thing, and be prepared to pay them fairly while also providing their hotels, meals, and so forth. For information is available from the governing body that sanctions your event. Your offi-



Always remember that officials can make an event go more smoothly, so taking care of them is important.

Physicians or Trainers

Having a trainer on site might be a requirement by the sanctioning body, depending on the type of event that you are organizing. Regardless, having a trainer or doctor on site at all times is just a good idea. Remember, you are operating an event that involves intense physical performance, and people do get hurt, exhausted, and sick. You should have someone around who can attend to injuries and illness, and you should have access to a nearby hospital.

From an expense standpoint, depending on how well connected you or your event partners are, this aspect of the event should not cost a lot of money. There are usually

doctors who are willing to donate their time in exchange for some tickets, parking passes, and the like, and while you may have to pay the trainers, you should be able to work out a good deal with them as well. Credits on TV and in the event program go a long way. In any case this is another of those areas in which cutting corners can come back to haunt you.

Production

Production involves all of the physical elements of setting up the event. This can be quite different for every project depending on the sport, site, and level of competition or exhibition (i.e., pro, amateur, grassroots). In skating you aren't going to bring in the same lighting rig for a club show as you are for a televised professional event. Similarly, in golf you won't use the same "stakes and rakes" for a club championship as you would for a PGA Tour event. As a result, it is hard to generalize here, so please keep that in mind. You will have to tailor your production budget to your specific event based on the overall production values you want to bring to your show.

Sound and Lights

If you are organizing an indoor event, most venues will have a sound and lighting system. The amount of additional equipment required to augment the facility's equipment will be a function of how big a show you want to put on and, of course, the nature of your event. The major arenas will probably have enough of a sound and light package to suit most of your needs. However, if you are indoors and on television, you may need to bring in more candelpower. If you are in an older building, you should expect to bring in some equipment to supplement what the facility has.

Outdoor events are a totally different situation. A golf tournament obviously won't need lights because it takes place only during the

day. The site for a junior tennis event should also be pretty self-sufficient.

If your event is outdoors at night, you have to prepare very differently. When building your site from scratch, lights and sound have to be at the top of your list of crucial issues. And, if you are looking to entertain, whether indoors or out, you have to be prepared to spend some real money to accommodate your guests. For AVP (Association of Volleyball Professionals) events we carried an entire sound system because we were setting up, for the most part, at sites that needed to be built from the ground up.

At AVP events music was an important component of the entertainment, so we needed sophisticated sound system. For Halloween on Ice we have used lasers, blue light, spot lights, and overhead lighting packages all at the same time. For Skating Goes Country we had to light not only the ice with theatrical lighting but also the stage for the musicians. As you might imagine, lighting can get very expensive, so don't be afraid to bid out the job to several organizations to get the best prices. Be prudent here, though. You don't want to sacrifice quality for a cheaper price if you don't have to. We almost always work with Paul Hendrickson out of Minneapolis because he understands our needs and delivers a great product. I know that we could find someone to do the work less expensively, but for reasons that I will explain later, the creative side of me never wants to sacrifice in this category. This is one of the many "push-pull" budget issues that you will face.

Site Preparation

Before moving into your facility, you may have to do a bit of face-lifting to put the site in shape for your particular event. We call this "site prep," and it needs to take place a day or two (or longer if you really need to do a lot of work) before your move-in. If you are going to an indoor arena, the site prep will be minimal. If you

are going to a public place that is not really designed for events, then the site prep might be considerable. In terms of budgeting, this is primarily a manpower issue. If your site prep involves bringing in power, decorations, and the like, these should be covered in other line items.

Crew

Moving all this equipment around, installing it, operating it, and tearing it down can be a major undertaking depending on the amount of production value you are bringing to the project. While much of this equipment will be computerized, the transportation, load-in, and load-out will not be. It takes old-fashioned manpower. Some of these people will be the local stagehands that we will account for in the Facilities category. Others will be the people that come with the equipment package. Paul Hendrickson has a group of guys that he takes with him wherever he goes. You can try to keep the number of crew members down, but to some extent it is simply a function of how big a production you are planning. The bigger the package, the more people it will take. Most of the crew will have a day rate plus travel, hotel, and per diem if you bring them in from out of town.

Hotel

This line item is pretty self-explanatory. From a production standpoint, you can avoid most of these costs if you can find a local crew and use local equipment. If not, bringing in people to your site from all over the country can be expensive, so make the reservations early to take advantage of every possible discount. Saturday night stays are a great innovation and are very useful here.

Hotel

With hotels you have the same issue as with crew. If you use local crews, they can sleep

at home. If you bring people in from out of town, try to let them know in advance that they have to double up in the hotel. This can reduce hotel costs considerably.

Food and Beverages

Your production people work hard and have physical jobs. They need to be well fed. Also, in many cases you will be dealing with unions, so you will have prescribed meal and coffee break times. Find a caterer who can work within your budget, as you are going to have to feed these people several times during the event. If you are putting on a grassroots or charity event, don't hesitate to try to get food donated. You might even ask people to volunteer to cook. Sometimes the home-cooked stuff is better anyway. You may want to include the feeding of your volunteers within this line item. They are not paid, yet you could easily consider them part of your event crew.

Music Clearance

This line item is for live and television events. It is a tricky area because the rules and regulations are not as standardized as they could be nor are they policed uniformly. Nevertheless, it is important to ensure that you have cleared any music that you want to use at a live or televised event . . . or for any other reason, for that matter. The reason is simple: You are using someone else's product. They own it. If you want to play music by Elton John, you need to pay him. The clearance costs are paid to the artists through BMI, ASCAP, or the artists' record companies. If you don't pay, you are headed for trouble. My suggestion is that you hire an expert (they usually are not very expensive) to clear your music. Otherwise, you are sure to get lost in the maze that is music clearance. If you just need some generic music, there are

libraries of music that are pre-cleared. I suggest this route for grassroots events. A radio station or television affiliate will probably be able to help you locate such a library if they don't have one of their own. Also, the cost of music can be great, so if you don't need it, it would be better to stay away from it. Remember that music adds tremendously to the ambience of your event. But you have to pay for it.

Practice Facility

This line item could easily fall under the talent budget because, after all, it is only for the talent that you have practice courts, rinks, and driving ranges available. They are a *must*, and it is hard to offset these costs unless your venue has enough practice area. The nice thing is that it shouldn't cost you too much for the practice time (think trades here), but you *will* need it.

Local Transportation

You need to get your production people around town. Shuttle vans and rental cars work best. Your crew members need to be able to get to hardware stores, garages, and other places if anything goes wrong, so be sure that transportation is accessible. Volunteers can be helpful here. Even if volunteers aren't available, this should not be an expensive item. Again, trade if you can.

Props and Decorations

Similar to the lights and sound category, props or decorations may not be necessary at all—but it depends on the type of event you are putting on. However, in my experience, even the most modern facility can use a little color.

If you are producing a grassroots event, some inexpensive decorations can make a world of difference. This category really speaks to the impression you want to leave

with the audience. For Halloween on Ice we have gone big and small with props. The crowd seems to like them no matter what show they attend, but they definitely appreciate the extra effort when we bring out a full graveyard scene complete with spider webs. At the King of the Beach event, we have had a tendency to go overboard with decorating the site because we want to impress on people that this is a big time event. You may not care about any of this, and more important, you may not be able to afford any of it. These are judgment calls that you will have to make. If you can find a way to afford props and decorations, you will not be sorry because they will really make your event or show stand out.

Costumes and Uniforms

Unless you are putting on an event that has some theatrical elements, you probably won't need costumes. This is one of our standard line items because we often promote theme skating shows. In those situations we feel that it is important to supplement the costumes that the talent brings with other items, such as masks for Halloween on Ice, sweaters and scarves for Skating Goes Country, and so forth. When you're putting on a competition this element is usually not an issue unless you have an opening or closing ceremony in which you want all of the competitors to be dressed similarly. The pomp and circumstance is a nice touch, and I recommend it if it is appropriate and affordable.

Uniforms are another story. These need not be expensive or complicated, but I think it is nice to have the ushers dress in the same outfits, the security people identified by similar shirts or hats, and your staff wearing something that stands out. We have always done this at the King of the Beach, Best of the Beach, and other volleyball events, as well as at tennis events and golf events. I think uniforms are important for a few reasons, including the following:

- They make it easy to locate people in positions of authority.
- They give people stature in the eyes of the customer.

- They give your volunteers (or event-paid security and ushers) a usable gift and make them feel good about you, the event, and themselves. In fact, you can never do too much for your volunteers. You want them to come back year after year, and they are a great source of positive word of mouth for the event.

- From an economic standpoint, having all of these people wearing items that can be purchased at your souvenir stand might just be the impetus your customers need to go buy something.

From a budgeting standpoint, uniforms and costumes need not be expensive. In fact, if you have official clothing sponsors, they will usually be happy to outfit some or all of your staff at no cost as part of their deal. After all, what better exposure than to have 50 to 100 people at the event wearing their gear? If you have to purchase the uniforms, don't be afraid to negotiate. The exposure you are providing should be worth a sizable amount.

Makeup

Again, this is something that most likely will only come into play with certain sports (figure skating and gymnastics come immediately to mind), so in most cases you won't have to worry about makeup artists. However, if you do, try to get people who are experienced and really understand the demands of television and theatrical lighting. It doesn't do much good for you to bring spe-

cialists in if the talent doesn't think they know what they are doing. You should be able to find makeup artists locally in virtually any city or town.

Facility

As we will discuss in great detail in chapter 3, this part of the budget is where you will reflect all of the costs associated with doing business at your site. Try to get a handle on these costs as early as possible because, as we will see later, they might affect several of your other line items.

Rent

This line simply reflects whatever deal you make with the venue to operate from their site. It should include the base rent and any percentage of the ticket sales that you have to pay. In most cases your rent at an indoor facility will include all of your utilities, such as power, lights, electric, heat, air conditioning, and so on. Obviously, if you are at an outdoor facility, your rent structure is going to be completely different because you will have to bring in all of these items.

Stagehands or Crew

These are the people who supplement the production crew discussed earlier. It is a tough line item to gauge and often ends up costing you more than you anticipated because you get into overtime situations. This line appears in two categories because I differentiate between the basic production crew (i.e., sound and light experts) from the stagehands who simply provide additional manpower. If you are in a union building, make sure you completely understand their rules and regulations. If you are outdoors, be sure

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to hire enough personnel. In either case, don't forget to budget for overtime.

Security

If you are in an arena, this is not going to be something that you have to worry about too much. The cost of security should be included in your rent, and the building will make sure that the security staff arrives on time and does their job. If you are at an outside venue that you are creating (such as at the King of the Beach Invitational), however, security can become much more complex. You will have to determine the number of security people based on how much area you need to cover. Also, don't forget that if you are outside, you can't lock up as tightly at night, so you may need security around the clock. You should be able to make a good deal with a local security company, but remember to start this discussion early on so that you know they are available.

Box Office

The box office presents issues that are similar to security. If you are at an arena or stadium, it should have a box office and, for fees that will be incorporated into your rent or on a per-ticket basis, the venue will allow you to use their staff. When you are creating a site at a beach, park, or high school, you have to worry about setting up a box office. One of

the best makeshift box offices is a portable trailer. You can rent these fairly inexpensively

and they can serve as your stands, information booths, areas for an office for you as well as product displays, and so forth. If you are outdoors, you can always set up booths, even in a stadium, you may have to build some of these items. If you are on a beach, you will have to build them all. This is where those costs go. I title this line "portables" because if you forget everything else, don't forget the rest rooms!

Utilities

Indoors this is normally covered in your rent expense. Outdoors you may need to bring in power, lights, phone lines, electrical generators, and the like. If so, they need their own line item in the budget, as you won't be able to do much without some form of power.

Television Production

See appendix C for a complete breakdown of the television production budget. I discuss television in some depth later, but television production is a separate book in and of itself, and I am sure that there

have been several writers. My best advice is to hire a producer who will take much of this off your plate. You can't be an expert in every area of event management,

unless you ultimately want to be in television (it seems everyone does!), this is an area best delegated to experts.

Frankly, I am not the best delegator that you will ever meet. However, even I have learned that television production is a very specialized area. I knew that I had learned my lesson about where to draw the line in this department when, before Skating Goes Country, the producer (Meg Streeter) explained to me why she might not be ready during rehearsal. I told her that I was not even concerned, hadn't really thought about her being ready, and had every confidence that she would do the job when "the curtain came up." You have to have that kind of trust in the people around you or you are destined to do everything yourself,

which is a recipe for failure. Hire the best producer and director you can find and agree on a budget. Your job is to *manage* them so that they deliver the show within the numbers.

Sales and Marketing

Most sales and marketing expenses are tied into the plan to communicate and sell your event to sponsors, participants, fans, and the press. Sales and marketing expenses are largely discretionary dollars as opposed to some of the line items discussed previously, which are prerequisites for holding your event. Nevertheless, as we will learn later, these may be some of the most important dollars you spend. Many of these spending decisions will be tied to how much revenue you generate, leading to the old adage, You need to spend money to make money.

Advertising

You can take your advertising plan in many directions. Your decisions on which avenues to follow will no doubt be affected by how much money you have available. We generally break this particular line item into subcategories of print, radio, television, and "other" (which includes the Internet) so that we have a very specific road map for how to spend the dollars allocated to this category. This line item should reflect the amount you have to devote to the actual placement of the ads. As you will see, other elements of your advertising plan are included in some of the line items that follow.

Media or Public Relations

"PR," as it is referred to, is very important for a lot of reasons. PR can help spread the word about your event; act to build the stature of various performers who may not be that well known; and if positioned correctly, serve as a way to build your stature so that when you call on potential sponsors or other corporate partners, they know who you are. There is a

**If you forget everything else,
don't forget the rest rooms!**

Providing for Those With Disabilities

When you build a venue, don't forget to provide for those with disabilities. It is not only the nice thing to do, but it is also required by law under Title III of the Americans with Disabilities Act (ADA), which covers building codes. The ADA is governed by the U.S. Department of Justice. For more information about how this law applies to your stadium, you can either call the Department of Justice at 800-514-0301; write them at 950 Pennsylvania Ave., NW, Washington, D.C. 20530-0001; or visit their Web site at www.usdoj.gov/crt/ada/ada.htm.

Port-a-Johns

This is my catchall line item for everything that you will need to handle the spectator

Stadium

This line item refers to a situation in which you need to build your own site. If you are putting on an event that requires you to build bleachers and perhaps even the court or field (for example, at a three-on-three basketball tournament or street hockey event), all the costs go in this line item. If you are in this situation, you probably should have several subcategories that include bleachers, chairs, you have VIP seating, hospitality areas if you are building them, tents, ropes, and so on.

very good chance that a local public relations agency can do exactly what you need for very reasonable fees. They will need four to six months' lead time to get the job done. Don't overlook this line item. It can be quite important to the success of your event.

Advertising Production

Be careful here. You can spend \$250,000 to produce a 30-second television commercial. Or you can spend under \$10,000 to produce a commercial that delivers a similar message, although without the production value. If you spend a quarter of a million dollars, you'd better get a hell of a lot more return out of your commercial than if you spend \$10,000. We typically spend a lot closer to the lower fees than the higher fees for our television spots; in fact, we've never spent anywhere near the \$250,000 level. When you get to the higher numbers, you are probably shooting on film, which takes longer, requires a bigger crew and more union fees, and so forth, which of course will be more expensive. Remember, the look of your ad is only part of the issue. The message is most important. From my perspective, if you can shoot your spot on videotape with the correspondingly lower fees, do it. That is not to say that you should produce a cheesy spot. I get uncomfortable when I see a commercial that clearly was done on the cheap. But you can do good work—that is, creative and with production value—without spending a fortune.

In addition to television advertising, you will probably plan to use print or radio advertising. If your budget is tight, radio spots can almost always be produced at minimal cost by the radio stations with whom you are working. You can write the copy, and the station's on-air talent will usually provide the voice. If you want some music laid in, the station can help you get that as well. If you have a big budget, you can go into a studio and pay high-

priced talent to write music and ad copy, supply the voice, and do the production. For smaller events and those with limited budgets, the studio route won't be affordable.

The same is true of your print ads. You can use an ad agency or you can give the newspaper a basic idea of what you are looking for and they will probably be able to design the ad for you. If you develop a good relationship with the radio and television stations as well as the local newspapers, you will save yourself money and get better placement and probably better pricing for your ads. Internationally advertising is becoming increasingly effective and that too does not have to involve expensive production to create an effective ad.

The bottom line: The line item is for production only. Since it represents only a part of your ad budget, keep your costs in line.

Design Fees

This is the cost of hiring an artist to design all of the communication pieces that we have been discussing. We have usually opted to find someone who is talented but trying to get a break. They are hungrier, cheaper, and willing to put in the time to get it right. While you are taking a chance to some degree by going this route (as opposed to hiring from an established design firm), you usually get good work at affordable prices.

Collateral Materials

These are all of the materials (brochures, posters, sales video, and the like) that you might use to sell your event to the public or to sponsors and television outlets. Collateral materials can become very expensive, so you have to plan carefully and try to figure out which ones will best support your sales effort. Do you really need a sales tape, and if so, can you make it just by editing existing footage either of past events or of similar-looking ones? Or do you need to create a script

and storyboards, hire actors and a film crew, and start from scratch? Should you create a color brochure for sponsorship sales, or can you make do with something that you create on your computer? Do you need a poster, or after you produce 500 pieces, are they just going to sit in someone's office? All of these are financial issues, and since you have to stay within some overall budget, you won't get to do them all in most cases. Be prudent and try to determine which are the most important, and then find a way to produce them in the most cost-efficient manner.

Direct Mail and Ticket Order Forms

This is the cost of producing and mailing direct-mail ticket order forms to your list of select fans. I emphasize this because, when figuring your budget, you must not forget the cost of sending the order form in the mail. Even at a mere 34 cents apiece, direct mail can get very expensive if you send out several thousand pieces. Make sure you calculate this into your costs. You will find that a bulk mail rate is not hard to get at your local post office, and the money that you save by obtaining that lower rate, even though the mail gets delivered a bit more slowly, is well worth the effort.

Sponsor Costs

Treat your sponsors well, but then again, I wouldn't go overboard unless you have a really successful event. You don't want the sponsors to think that they are giving you all that money for you to turn around and spend it on them. They could do that themselves. Nevertheless, a party and even some small gifts may be in order. We have done everything from a T-shirt to a goody bag complete with shirts, CDs, mousepads, party invitations, and items from other sponsors. The sponsors and their guests always appreciate the effort. But we generally control the costs of this line item pretty well.

Entertainment

You will have to entertain people throughout the event process. Some of this, such as taking a prospective sponsor to lunch or having

breakfast with people from your site during the postevent wrap-up, might go in the G & A portion of the budget. We generally use this line to reflect entertainment costs during the event. Similar to many other items, this does not have to be extravagant, but it is going to happen, so plan accordingly.

Postevent Parties

As you will see after being involved with a couple of events, when it is all over, most people want to go home pretty quickly. However, if you have advertised a postevent party for ticket holders, this is the line item for those expenses. Also, as we will discuss later, don't overlook the morale of your staff; a postevent dinner celebrating your success is a nice touch. All of this can get expensive, so plan it in advance even if you want to make the dinner for your staff seem spontaneous! As for the bigger party for sponsors and ticket purchasers, this too can become a major expense if you let it get out of hand. We have generally limited these postevent bashs to beer, wine, soft drinks, and finger food or dessert because people do need to get home after the event. We don't go crazy, and I don't think you need to either. If you do, you may spend heavily and be left with a lot of untouched food.

Photographer

This doesn't have to cost you a lot of money, but I urge you to have a photographer on site.



Treat your sponsors well by handing out small gifts, such as this mousepad.

You will want pictures of your event at some time in the future for a variety of reasons. From time to time you may want to use photos from your event as gifts to the participants. We had a great photographer at One Enchanted Evening, so I sent photos to each of the skaters. To get the most from your photographer, before the event you should give him or her a list of what you want shot. This will save everyone time, money, and aggravation.

Merchandise — Cost of Goods

While merchandise is going to show up as a line item in your revenues, you can't forget to include it as an expense as well. We will discuss the up-front cash needed to create the merchandise that you sell. This is where that figure will be plugged in. However, unlike many of your expenses that can be paid after the event, the merchandise is usually paid for *up front*; so you have to plan not only the expense but the cash flow as well.

Program

Keep in mind that you will not sell a program to everyone that walks through the gate, so you need to balance the value of the program against the desire to produce something that will leave a lasting impression. Consider this a business within itself. If you sell a lot of ads, go ahead and spend some extra money on your program. If not, either don't produce one or do it nicely—but cost effectively. The only time we really strayed from this policy was during the inaugural Halloween on Ice when we were playing the FleetCenter during its opening week. We created a high-gloss program and even considered putting a

hologram on the cover. We sold it for \$10. That was in 1995. We still have some programs left!

Tents

If you are at an outdoor site that you are building from the ground up, you will need tents of all sizes. You can rent tents from a variety of sources, and again, you can negotiate by throwing in some benefits in addition to cash. Don't be afraid to try to barter to knock down these costs a bit.



This photograph would make an excellent gift for the winner of this race or an advertisement to promote next year's event.

Ancillary Events

You won't always have ancillary events around your tournament, but if you do, this is where you should list all of the expenses related to those activities. Whether it is ten times for a party, or hiring a band for a bash the way we have in Las Vegas, get into the details of these expenses and make sure that they are all covered here.

Miscellaneous

Frankly, if you have taken the time to get very detailed with your budget and the line items

way: Add up the revenue and then include the commissions as an expense item (in the personnel line) or as a deduction from revenue as shown later.

Presenting Sponsor

The presenting sponsor will be your second-biggest sponsor. It is also the most difficult deal to make because you need to convince someone that the additional fees paid above an official sponsor category are worthwhile even though they will still be in a subsidiary position to the title sponsor. I separate this item out because of the potential magnitude of this particular sponsorship.

Official Sponsors

After separating out the title and presenting sponsor, we tend to lump the official sponsors together in one line item. You might break this down further in the backup pages to your basic budget.

Ticket Sales

This is pretty self-explanatory (the number of tickets you expect to sell multiplied by the price), but it is very difficult to judge, particularly in the first year of an event. Your initial budget will simply have a number that comes as a result of an educated guess (as will many of your opening revenue projections). You will definitely need to update this line item on a regular basis. Don't forget to deduct sales tax and credit card fees when calculating your net income from ticket sales.

Merchandising

Again, you can separate each individual item that you sell or use an all-encompassing number here while getting into the detail in the backup pages. I suggest the latter. I always want to get a good feel for where we stand on our revenues and expenses from a relatively quick glance, so the less paper, the better. In our budgets this line is a gross sales number, as we put the cost of these goods in the expense budget. I should warn you that a

that make it up, you should have no need for a miscellaneous category. But you are bound to have missed something along the way, and at the time of the event, there is always something that comes up. This line item becomes a catchall for the things that you didn't take into account or that come up at the last minute because the lights blow, the food is late, there aren't as many props as you expected—the list goes on. With that in mind, don't let this become a sinkhole that blows your budget out of whack. You have to take responsibility for every line item and try to be as thorough as possible. Try not to spend anything against this line item (even though that is probably an unrealistic goal).

REVENUES

As I mentioned earlier, I am discussing revenues after expenses because they are *much* more difficult to predict. After all, you can pretty much decide that you are going to produce a certain number of posters for a particular dollar figure and, with the proper discipline, stay within that budget. I challenge you to take a new event and predict how many tickets you will sell or how much sponsorship revenue you will generate.

Nevertheless, the revenue budget is critical because it will let you determine whether you can cover the costs that you committed to on the expense side. With that in mind, the revenue side of your budget should include the following items (again, we will cover each of these line items in much greater detail later in the book):

Title Sponsor

The title sponsor is the lead sponsor of your event. In most cases this will be the company that pays you the most money. In terms of budgeting, you should include the gross fee paid by the sponsor in this line item and then incorporate any hard expenses paid out on their behalf (including staff and third-party commissions) in the appropriate expense line item. I would treat commissions paid out to employees or other third parties in the same

Backup Pages

Sometimes the budget format outlined earlier will not allow for enough detail. In that case you might want to have the basic budget serve as a summary page (or pages) and then have a separate page for each line item. As your event grows, you are likely to have more sponsors, more advertising outlets, more vendors, and so on. You won't be able to keep everything in your head, so backup pages are a helpful tool. They simply reflect the detail of what is shown in a particular line item on your budget. A typical backup page for something like the official sponsor line item might look like this:

Official Sponsors (as of July 21)

Company	Gross fee	Invoice date	Date \$ received
Official clothing	\$10,000	July 1; Sept. 15	July 20; \$5,000
Official drink	\$10,000	June 25; Sept. 15	July 3; \$5,000
Official car	\$7,500	July 10; Sept. 15	outstanding

Update the backup pages on a regular basis so that they truly reflect the most current information on your event.

start-up event is not likely to make a lot of money from the sale of souvenirs. However, the offsetting PR value of having walking billboards may be worth the effort and expense.

Program

This line will have the revenues from ad sales and actual program sales. You will have accounted for the production costs in the expense budget. Some people like to use net numbers—revenue after expenses have been taken out. I suggest that you stay away from that type of accounting because it tends to hide the cost of production and thus can be misleading.

Domestic Television

The rights fee that you receive from a television network to air your show in the country where it is taking place will go in this line. Most of our events take place in the United States, so this line could say "U.S. television." A first-year or grassroots event is probably not going to earn much in the way of rights fees. In fact, for many events, if you can get on televi-

sion at all (and we will discuss the various television options later), you should consider it a big bonus.

International Television

The rights fees you earn from all other countries where your event is broadcast will go in this line. Again, unless you have an established event with international implications, you shouldn't count on much income from this line item; but you should be prepared for it nevertheless.

Commercial Sales

You might have the ability to earn revenue from selling commercial spots on the television of your event, depending on your television deal. You will list those revenues here. Remember when selling commercial time that most companies place their ads through an agency to whom they pay a commission. When you are making proposals to companies with regard to purchasing advertising time, remember to tell them the net amount

you are looking for. If you are looking for \$10,000 and forget to mention that this is the "net" amount, and you make the deal, you will end up with \$8,300 (after the agency takes its 17 percent commission), which is better than nothing but not what you had in mind.

Ancillary Events

As we will discuss in some detail, many times you will have secondary events surrounding your main event to generate press coverage, to keep sponsors happy, or to entertain the athletes. Any revenue generated from these ancillary events should be listed in this line.

Miscellaneous

Any revenue that did not find a home in the previous lines should go here. I doubt that you will have much in this line because you should be able to classify every dollar that comes in under one of the previous categories.

Fees to Third Parties

You may at times have to make payments to third parties for commissions, commercial time that you have to buy for your sponsors, and any other fees that you pay out as a condition of a sponsorship or other deal. These expenses can be posted before coming to the final revenue calculation so that you have a net revenue number before deducting expenses. You can also put these items in the expense budget if you so desire, whatever is easiest for you and your accountants to interpret. If you have to pay fees to third parties—which is not necessarily a bad thing—make sure you have a line for this.

Profit/(Loss)

This is the difference between revenues and expenses. Your goal, of course, is profits!

CASH FLOW

Perhaps of equal importance to the budget itself is the timing of paying your bills and collecting your revenues. The coming and going of your cash is called cash flow. You need to be at least as detailed about cash flow as you are about your budget.

It is not enough to know how much revenue you are going to make. You also need to know when the money will be collected. Similarly, it is not enough to know how much you are going to spend on each line item. You also have to know when the invoices for those expenses will have to be paid.

We have always tried to time our cash flow so that bills are paid after third-party services are rendered, while sponsorship fees and other revenues are received, at least in part, before our delivering benefits. In that manner, we limit the amount of working capital that we need and can simply pay bills from cash we receive from the event. This ideal scenario—never go into your own pocket if you don't have to—is not always achievable, however.

Therefore, when it comes to cash flow and cash planning, make sure of a few things:

- Use a chart to graph the expected inflows and outflows of cash (see chart, next page).
- Know approximately how much cash you need to get your event started (seed capital).
- Try to delay the payment of expenses by contract, making sure that you don't pay for things until others have performed.
- Keep in mind that big companies are often slow to pay. This is something that always surprises me. You know they have the money, but often these behemoths have such involved payment procedures that they can rarely pay you on time. Don't

Sample Cash Flow Chart (assumes 10/1 event date and 10/15 TV air date)

Revenue	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Title sponsor				✓				✓	
Presenting sponsor						✓		✓	
Other sponsors		✓			✓	✓	✓	✓	
Ticket sales			✓	✓	✓	✓	✓	✓	✓
TV commercial sales									✓
Merchandise							✓		
Expenses									
Personnel	✓	✓	✓	✓	✓	✓	✓	✓	✓
Facility			✓	✓	✓	✓	✓	✓	✓
Printing		✓				✓			
Travel	✓	✓	✓	✓	✓	✓	✓	✓	✓
Prize money							✓		
TV production									✓
Labor (crew)				✓	✓	✓	✓	✓	✓
Hotel	✓	✓	✓	✓	✓	✓	✓	✓	✓
Advertising				✓	✓	✓	✓	✓	✓
PR		✓							✓
Parties				✓					
Promotion					✓		✓		
Merchandise						✓			

When planning your event, realize that expenses come prior to revenue being received, so plan accordingly

take it personally. It happens all the time. Just make sure you plan for it.
 * Treat cash flow as sacredly as you treat the budget itself.

As I said at the outset of this section, the budget should be your bible. You should develop it as soon as you possibly can and base many of your decisions on it. Review your budget often and be prepared to make the changes that are necessary as the event evolves. After the first couple of years of an event, the changes to the budget during the

course of the event should be minimal because your familiarity with the property will make it more predictable. But in the early years of an event, the swings can catch you by surprise if you take your eye off this ball. Don't

The budget and your mission statement form the foundation for your event. With these basic tools you are ready to launch into the various elements of event operations, all of which will be covered in the remaining chapters and require you and your staff to become jacks of all trades.
 The first issue is where to play.

Working Model: Regional Tennis Tournament Budget

The initial budget for the regional tennis tournament in our working model would look something like this:

Working Model for Initial Budget

Revenue	Amount	Facility	Amount
Title sponsor	\$ 25,000	Practice facility	N/A
Presenting sponsor	\$ 7,500	Local transportation (rental car for runner)	\$ 150
Official sponsors (\$@4,000)	\$ 20,000	Props/decorations (decorations to spruce up the site)	\$ 300
Ticket sales (1,000@\$10.00)	\$ 10,000	Costumes/uniforms (shirts for officials)	\$ 300
Merchandising (250 T-shirts@\$20)	\$ 5,000	Makeup	N/A
Program (10 ads@\$250)	\$ 2,500	Total production	\$ 1,250
TV (16 spots@\$200)	\$ 3,200	Facility	
Miscellaneous (donations)	\$ 3,000	Rent	\$ 1,000
Total revenue	\$ 76,200	Stagehands/crew (you need a couple of people on hand)	\$ 750
Expenses		Security (perhaps unnecessary)	\$ 500
G & A	\$ 2,500	Box office	\$ 1,000
Personnel	\$ 1,000	Stadium (10% of ticket sales)	\$ 5,000
Office rent	\$ 1,500	Port-a-johns (port-a-johns and other facility needs)	\$ 1,000
Office supplies/equipment (paper, copies, mail, etc.)	\$ 1,500	Total facility	\$ 9,250
Insurance	\$ 1,500	Television	
Travel	\$ 2,000	Production (buy-on; production of a one-hour telecast)	\$ 20,000
Total G & A	\$ 8,500	Judges/officials (rental vans)	\$ 1,000
Talent		Physicians/trainers (food, gifts)	\$ 500
Compensation	N/A	Total talent	\$ 9,500
Travel	\$ 2,500	Production	
Hotel	\$ 1,500	Sound/lights	N/A
Food/beverages	\$ 1,000	Site preparation	N/A
Gifts/trophies/parties	\$ 2,000	Crew	N/A
Local transportation (rental vans)	\$ 1,000	Travel	N/A
Judges/officials (food, gifts)	\$ 1,000	Food/beverages	\$ 500
Physicians/trainers	\$ 500	Music clearance	N/A
Total talent	\$ 9,500		
Sales and Marketing			
Advertising (print, Internet)	\$ 5,000		
Media/publications (regional agency)	\$ 2,500		
Advertising production	N/A		
Design fees (flyers, program, ads, etc.)	\$ 1,000		
Collateral materials (flyers, entry forms)	\$ 1,000		
Ticket order forms/direct mail	\$ 1,000		

Location, Location, Location

Sponsor costs (T-shirts, programs)	\$ 2,000	Tents	Trade
Entertainment (lunches with sponsors, others)	\$ 750	Ancillary events	N/A
Postevent parties	\$ 750	Total sales/marketing	\$ 18,300
Photographer	\$ 300	Miscellaneous	\$ 2,000
Merchandise	\$ 3,000	(includes cost of balls)	
Program	\$ 1,000	Total expenses	\$68,800
		Profit/(loss)	\$ 7,400

According to this initial projection, this event would earn about a 9 percent return in its first year. Given that these are preliminary numbers and are based on a reasonably aggressive level of sponsorship sales, I would have liked to see a bit more of a cushion in case sponsorship sales fall short. Nevertheless, this is a first-year event, and you are prepared to break even or sustain a slight loss; so this projection is strong enough to warrant going forward with the event. With that in mind, it might be prudent to try to cut the budget a little further and give the sales staff some additional incentive to work out some trade deals that will add money directly to the bottom line.

In order to solicit players and sponsors successfully, apply for sanctions, and if applicable, negotiate a television deal, you must be able to tell everyone where your event is taking place.

We have put on events in a variety of venues. Among these locations have been some of the most beautiful and talked about landmarks in the world, including Manhattan Beach, California; Las Vegas, Nevada; Scottsdale, Arizona; and New York's Madison Square Garden to name a few. With access to all of these world-class locations, you would think that we would never have a problem finding the perfect venue for an event. It isn't that easy, though.

THE PERFECT MARKET

Consider the pluses and minuses at the following sites:

The beach setting in **Manhattan Beach, California**, is perfect for pro beach volleyball. However, unless you get a permit, the number of tickets you can sell at events that are actually held on the beach is restricted by the California Coastal Commission to 25 percent of the total. If you have 4,000 seats, you can sell 1,000. Everyone else must get in free, and that is true only if you get city approval; oth-

erwise, all spectators get in free. The application process for the permit is fraught with political problems. In 1997, while I was managing the AVP Tour, we had to cancel the Manhattan Beach Open because our effort to sell tickets resulted in picketing, lawsuits, and general hysteria . . . and no permit.

* In **Washington, D.C.**, after working with the parks department to build a beautiful state-of-the-art tennis facility, we were told by the local residents that they would only allow limited parking in the park where the stadium was located. This resulted in hundreds of ticket holders, many of whom had contributed considerable funds to help get the stadium built, having to walk substantial distances to get to their seats. They were not pleased.

* As I mentioned earlier, in **Del Ray Beach, Florida**, despite the fact that we were at a phenomenal new club, they couldn't get the grass to grow in time to hold our event. (My partner Lon Monk tells me now that he sneaked onto the courts anyway and got one of his rare grass-court wins against one of our colleagues!)

* In **Boston**, where the inaugural Halloween on Ice played to near sellout crowds during the opening week of the FleetCenter, we had a hard time selling sponsorships because the most likely corporate prospects had just