

Assignment 2 – Budget Assignment



RecyKids – Product Launch

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Goal: Launch RecyKids with a fun, memorable, eco-friendly evening that will drive buzz and sales surrounding this new clothing line with the theme “It’s Easy to be Green.”

Item	Estimated	Actual	Description
Budget	\$60,000	\$60,000	
Revenue			
Product Sales (Projected)	\$10,000		Samples of the fabric and selected pieces of pre-made clothing will be available for purchase.
Total Revenue	\$10,000		
Expenses			
Administrative	\$5,000		Salaries for PR agency
Insurance	\$1,500		
Food & Beverage			
<ul style="list-style-type: none"> Lunch 	\$15,000		<ul style="list-style-type: none"> Includes food, servers and flatware rental Based on 150 guests at \$100 each Served canapes and buffet lunch
Venue Rental – Berkeley Field House, Toronto	\$3000		
A/V	\$7000		Sound system, projection system, creation of promotional videos, music usage rights, technician
Décor	\$5000		Use of recycled products where available
Entertainment			
<ul style="list-style-type: none"> Music 	\$3500		Local singer or band
<ul style="list-style-type: none"> Creation station 	\$1500		“Design your own” station
Marketing/Advertising			
<ul style="list-style-type: none"> Paid media 	\$2000		Paid Twitter ads, promoted Facebook posts etc.
<ul style="list-style-type: none"> Gift bag 	\$10,000		
Printing	\$1500		Includes invitations, postage, signage, table cards, fact sheets, programs and menus
Contingency	\$5,000		
Total Expenses	\$60,000		

Part 2

1. How and why did you choose this particular venue for the event? What were the reasons behind your decision in relation to your client's needs re: audience, goals and objectives?

The rustic-ness of the Berkeley Field House appealed to me. It's set in bustling downtown Toronto but provides a feel of the country. This works well with the green theme of the event – getting away from a feeling of an overpriced, corporate event in favour of returning to nature and using what the land gave us. It's a very unique venue which will help our event stick in our guest's minds.

Some of the mommy-bloggers might bring their children and the treehouse will provide them some space to run around. Taddle Creek, which runs through the outdoor space, provides a relaxing atmosphere. Bridges cross over the creek to get to the treehouse. The treehouse is not accessible but the rest of the venue is. The treehouse is not a formal part of the event so nobody will miss anything by not being able to get up there.

The Berkeley Field House is accessible by bus and streetcar, located a short distance away from Queen subway station. There is on-site parking.

Berkeley Events offers in-house catering which allows us to search for one less vendor. They promise to use fresh and local ingredients.

2-4. Why you chose a particular service/line item—what is its relevance/importance as part of the overall event? Where does each item fit into your budget (for example, is the item the focal point of the event, is the item a necessary cost, is it something that adds to the theme of your event, etc.) Whether each item is a fixed or variable expense and therefore able to be modified.

- Administrative – I made sure to include salaries for myself and the other members of my PR agency planning the event. I don't remember this being talked about in class but it should definitely be included and may be easy to overlook if you get caught up in paying all the vendors. You can't forget your own commission! This is a necessary and variable cost. I don't work for free, although I am willing to negotiate with the client based on their budget and needs. If a vendor cost changes I may have to take the hit.
- Insurance – This is a necessary cost when hosting an event with so many people at an outside venue. It protects against any damages or injuries. This is a fixed cost.

- Lunch – Food is a necessity for a mid-day event with busy mothers. Both served canapes and a self-serve buffet will be provided. This is a fixed cost based on the number of attendees we are expecting.
- Venue Rental – The venue is a necessity. In general, the cost is variable based on the amount of space used at the venue, although we are renting the whole space. The whole venue is more expensive than just the main indoor event space. The \$3000 includes access to the upstairs dining room, the outdoor canopy area and the treehouse. Overall, the price is reasonable for downtown Toronto.
- Décor – I budgeted \$5000 for décor based on the idea that we'll use a lot of flowers. Any paper decorations should be made out of recycled materials, or even hand-made in keeping with the rustic, eco-friendly theme. But flowers are expensive, and I envision them encircling the whole event space. Much of the décor is a nice to have but not a need to have. It just adds to the ambiance of the event. Variable cost but every effort should be made to stick to the budget.
- A/V – The audio visual component of the event is the only place where eco-friendly won't fit. These are mommy bloggers – their livelihoods exist online, where technology is key. We recognize that and will present our product with all the sparkle that technology can provide. A large video screen to present videos, tweets and facts about RecyKids will jump out amid the rustic, green theme. The A/V component is a focal point of our event. The cost is variable but every effort should be made to stick to the budget.
- Entertainment – A local band or singer will perform in the background while people eat and mingle. The music should be quiet and relaxing. This adds to the theme. We also have the audio technology to play music through speakers when the singer needs a break. We're trying to find someone relatively unknown who may perform for less than \$3500. We won't pay more than that, however. To get people familiar with our product, we have also added an interactive component where guests can create their own clothing design using our fabric. This is a focal point of the event as it really introduces people to the versatility of our product. The \$1500 for the creation station will cover basic art supplies – markers, paper, scissors, glue, buttons etc.
- Marketing/advertising – The cost for marketing is fixed. Free social media and word-of-mouth in the mommy blogger community help us keep costs down on this line item. I have set aside \$2000 for promoted tweets and Facebook posts. We can also submit an event review to a local or Canadian national magazine promoting the product after the

fact but this will cost money (paid media).

- Gift bags – The gift bags, included in the marketing category, are a focal point of the event. I budgeted quite a lot for the gift bags because that is how people will remember us. They'll take the gift bags home and photograph the contents for social media posts so we want to give them the best. The gift bags will include samples of the product but also some other treats that moms can pamper themselves with like makeup or skin care products, as a thank you for attending the event.
- Printing – Printed invitations add to the authenticity of the event; however, they will of course be printed on recycled paper, a fact that we will stress. A fact sheet adds to the event, highlighting the process for making the fabric. It's a good keepsake for people to take home as well as giving them key information they can pass onto their readers. One menu and program per table is all that is necessary. Everything will be printed on eco-friendly recycled paper. The cost is variable as it is an estimate until everything is actually printed.
- Contingency – Necessary budget item for unforeseen expenses. Variable based on other variable items in the budget. For example, if we save money on the entertainment, we'll have more money in the contingency fund.

5. A short rationale/reasoning for your client about how and why this venue and the corresponding budget works for the event.

Choosing the Berkeley Field House allows for a classy, upscale event that still feels like it's down to earth and authentic. The price is right for such a beautiful venue in the middle of Toronto. The budget we have planned is exactly what the client has to spend with \$5000 set aside for contingencies, plus whatever is left over from the décor and entertainment categories. While it's not a goal to come in significantly under-budget, we think it can be done while still providing our guests with a beautiful, relaxed but informative product launch event.