EVENT PRICING WORKSHEET

EVENT PLANNING
PRICING WORKSHEET

"It's Not Magic, It's Math"

STEP 1: RESEARCH YOUR COMPETITORS

Before you settle on a price for your services, call around and find out what other event planners in your area are charging. This is the best way to gauge where your fees should start.

Once you have done your research list the three (3) most common prices quoted by event planners in your area.

Competitor Prices	
1.	
2.	
3.	

Sit with these prices for a bit and try to determine where your price should fall. Think about the ranges above, your skills, experience and knowledge and pick a price. You read correctly, just select a number that would work for you – **I promise you there is a method to my madness.**

Remember to never price your services lower than the average range above. It might seem like a good idea if you are new to the industry; however it takes just as much effort to plan a wedding at $25 per hour as it does at $75 per hour.

STEP 2: DETERMINE YOUR IDEAL SALARY

Even if you end up using the flat fee pricing model rather than an hourly rate, you should be able to easily answer the question: *"How much is an hour of your time worth?"* To determine this, start by asking yourself how much you want (or need) to make each year. From there, you can easily determine what your ideal target rate should be. Here's how:

The average event planner works 50-60 hours per week. That is equal to approximately 3000 hours in a work year, assuming a two (2) week vacation.

(50 weeks x 60 hours per week = 3000 hours)

To determine your minimum hourly rate, take your target annual salary and divide by 3000. For example, if you want to earn $75,000 a year, you should charge a minimum of $25/hour. **This would be the lowest price you could charge.**

(3000 x $25 = $75,000)

Go ahead and try it out on your own. Take the ideal salary number in the second column and divide it by the number of hours in the first column to calculate your hourly rate. Try a few different options to see where your hourly rate should fall.

Salary Goal		
Hours	Ideal Salary	Hourly Rate
3000	**$100,000**	**$33.33**
3000		
3000		

STEP 3: DETERMINE YOUR REALISTIC RATE

Now that we have calculated the lowest satisfactory rate that sufficiently values your time, let's take it up a notch.

If you are a single person operation it will be almost impossible to work on events for 60 hours a week, 10 hours per day (assuming 1 day off during a 7 day work week). **Most entrepreneurs find that only about 50% of their time is actually billable** (at 10 hours that is equal to 5 hours per day), while the other 50% is spent looking for new business, managing clients and taking care of the administration of the business. That means if you still wish to make $75,000/year, you will need to increase your rate, you should be charging at least $50/hour.

$$(3000 \times 50\%) = 1500 \times (\$50) = \$75,000$$

Go ahead and try it out on your own. Take the ideal salary number in the second column and divide it by the number of hours in the first column to calculate your realistic hourly rate. Try out a few ideal salary options!

Salary Goal		
Hours	Ideal Salary	Realistic Hourly Rate
1500	**$100,000**	**$66.66**
1500		
1500		

You now have the formula needed to determine your rate and obtain your ideal salary, or set your ideal work hours and use this to determine your best rate. Follow me to the next step to also calculate your event planning package prices.

STEP 4: ADD IN YOUR COST

Once you have determined how much you want to make each year, you will have to do a little math and calculate your operating costs. Take a moment to think about all of the costs that you will have to cover, from indirect costs such as your Internet, website operating cost, software or programs, electricity and phone, to direct costs such as office supplies and event insurance (Grab this info from your business plan!). Once you have broken down all of the costs, remember to add those to your final rates. For example: Let's say your operating costs are $10 total.

Salary Goal				
Hours	Ideal Salary	Realistic Hourly Rate	Operating Cost (per/hr)	Net Hourly Rate
1500	**$100,000**	**$66.66**	**$10**	**$76.66**
1500				
1500				
1500				

STEP 5: BUNDLE IT UP

Now that you have your rates calculated, it's time to think about how to present them to your clients. It is recommended to offer multiple options to your clients. This can help to make your clients feel more in charge of their decision-making and can help you upsell your clients on additional services. *For example:*

PACKAGE 1

Consulting

This package can be offered to clients who are looking for an Event Planner to help guide their process and can range anywhere from 2-4 hours per event.

For ease of calculation let's round our example cost rate in step 4 of $76.66 to an even $80 per/hr. A package like this would therefore cost:

4 hrs x $80

$320

PACKAGE 2

All-inclusive Planning

This package offers your full planning service to clients, from the event logistics, supplier coordination and venue selection to managing the event. Let's assume that it takes 60 hours to plan a wedding (this is an estimate!). A package like this would therefore cost:

60 hours x $80

$4800

PACKAGE 3

Day of Event Coordinator

This package can be offered to clients (such as brides) who are looking to plan their event on their own, but would like to have an event planner on the day of the event to coordinate and manage all the logistics. Depending on the type of event a typical event day can run from 8-10 hours. A package like this would therefore cost:

10 hrs x $80

$800

BEFORE YOU GO…

Remember the random number you selected in Step 1 after reviewing your competitors pricing? How does this compare to your Net Hourly Rate from Step 4? If it is fairly close I'll see you in the next lecture! If the price you believe you should be charging is significantly lower than your Net Hourly Rate, I would like you to explore why. Are rates in your area lower? Are you lacking skills or knowledge that other event planners in your area possess? What value are you providing that could eliminate this gap? Get your thinking cap on!