

How to organize a professional party

Guideline for the creation of the rough concept

Instructions, guide, and template



Contents

1. Why do I need a concept?	2
2. Presentation of your project	2
2.1. Mission / goals.....	2
2.2. Team / organization.....	3
3. Target group	3
4. Competitor analysis	4
5. Strengths/weaknesses and opportunities/threats	4
5.1. External analysis (environmental analysis): Opportunities and threats.....	4
5.2. Internal analysis: Strengths and weaknesses.....	5
5.3. Merging the analyses: SWOT	5
6. Actual rough concept	6
6.1. Location, technology, and other infrastructure	6
6.2. Event date	6
6.3. Personnel.....	6
6.4. Acts.....	6
6.5. Ticketing	7
6.6. Marketing.....	7
6.7. Ticket price, budgeting, and revenue forecast.....	7
6.7.1. Cost forecast.....	7
6.7.2. Revenue forecast.....	9
6.8. Break-Even-Point calculation.....	11
6.9. Safety, conditions, and approval procedures.....	12

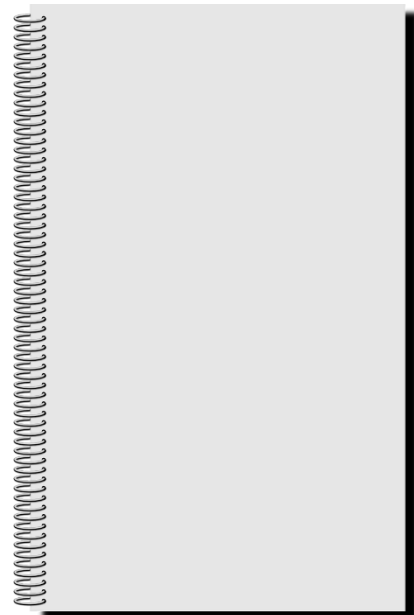
1. Why do I need a concept?

The concept creation has several goals. In a first step, it should help you to set up a coherent strategy for the planning of your party, or to check your existing strategy for coherence. The rough concept should serve you as a concrete planning and control instrument.

In a second step, it should help you to find partners, to inspire them for your project and to get them to support you.

Specifically, your goals can be summarized as follows:

- Internal:
 - o Strategy development, verification of the coherence of the strategy
 - o Estimation of budget requirements, sales and revenue forecasts
 - o Determination of the optimal event date
 - o Finding a suitable location
 - o Risk analysis, security concept
- External
 - o Basis for finding partners
 - o Basis for the approval of your party



2. Presentation of your project

It is best to start your concept with a short and snappy overview of your planned party. This will help you roughly map out your goals. You can also use this list as a factsheet to present your project to potential partners. Make sure you address at least these «mandatory points»:

2.1. Mission / goals

Formulate in a few sentences what the mission of your project is and what your goals are. Here is an example:

«We are planning to implement a New Year's Eve party at Club XY in Zurich. The party should start on 31.12.2020 at 8pm and ends on 01.01.2021 at 7am. We want to encourage at least 300 guests to celebrate together. Planned are three international DJs on the main floor and additional three local DJs on the side floors (smoking room, etc.), which will provide an exuberant atmosphere. Thanks to the popularity of the DJs, we expect 50% of the tickets to be purchased in advance, giving us a solid financial basis for the down payment of location, acts and technical equipment.



The DJs will start their sets at 10pm. Before that, the guests can get food and drinks from our local catering and beverage partners, who will pay us 15% of their revenue as well as a flat-rate stand rental of 400CHF. The focus will be on regional products, both for food and beverages. The location is easily accessible by public transport. The arrival of private vehicles is deliberately not encouraged, as parking facilities in the city of Zurich (especially on New Year's Eve) are very limited and arriving by private transport generally has a negative impact on beverage sales.»

2.2. Team / organization

Briefly introduce your team. Above all, explain what enables you and your team members to successfully realize this project. Your resources and skills (personnel, know-how and experience, financial resources, network, access to location, acts, etc.) should be clearly brought to the fore.



3. Target group

Now define your target group more precisely. Because only when you know who you want to address with your event, you can also determine the optimal range of services. This means, among other things, the concrete booking of the acts, the choice of the location and the event date, the composition of the catering stands, the choice of suitable partners, etc.

Maybe you have been in the party business for a while and know exactly what your target audience looks like. If not, just visit a similar event and pay close attention to the visitors.

A target group usually contains the following segmentation variables:

Demographic characteristics (age or gender)

Socioeconomic characteristics (education, occupation, salary)

Psychographic characteristics (motivation, opinion, desires)

Buying behavior (price sensitivity)

In our example, this may look as follows:

The target group we are aiming at has the following characteristics:

- Age: 18 - 40 years
- Sex and gender distribution: women: 60% men: 40%
- Marital status: majority single, but also married
- Education and salary: average education, consumerist upper middle class
- Interests: EDM, Techno, House
- Place of residence: Zurich and surroundings

4. Competitor analysis

Close observation and ongoing analysis of your direct competitors is one of the most important tools in your concept development.

Important: Focus mainly on comparable events. For example, if you want to start a New Year's Eve party with 300 visitors in Zurich, the analysis of a New Year's Eve party in St. Gallen will bring you only limited valuable insights due to a completely different location. Likewise, a more detailed analysis of a New Year's Eve party in Zurich with hip-hop acts is not really useful if you yourself are focusing on electronic music for your event. It is better to analyze and compare your planned event with competitors who hold events on a similar level.

Once you have found suitable competitors, find out and record (at least) the following details:

- Ticket price
- Event date and duration
- Line up (popularity of the acts, cost of the acts (estimate if necessary))
- Location and its characteristics
- Other specials

Then try to identify the unique selling points or success factors of each competitor and where their weaknesses might lie. Think about what you would like to do in a similar or completely different way and why.

5. Strengths/weaknesses and opportunities/threats



By now, you probably have a pretty concrete idea and can already see your party in your mind's eye. Now it is time to find out to what extent a real implementation is realistic and whether you have the necessary skills and resources to carry it out. In practice, this is usually done in three stages.

5.1. External analysis (environmental analysis): Opportunities and threats

Focus here on your environment. What are trends that could have a positive or negative impact on your party? What is the competitive situation? (Use the data from your competitor analysis here). What is the payment capacity of your clientele? (Use the data of your target group analysis here). What are the basic risks over which you have little or no influence?

5.2. Internal analysis: Strengths and weaknesses

Focus here on yourself and your organization. What skills are available within the team? What resources (financial, infrastructure, etc.) can be accessed internally? To what extent is know-how available? What do you lack for successful implementation?

5.3. Merging the analyses: SWOT

Then merge the two previous analyses. This can be realized clearly with a SWOT analysis:

SWOT analysis		Internal analysis	
		Strengths	Weaknesses
External analysis	Opportunities	<ul style="list-style-type: none"> - At our New Year's Eve party, numerous internationally known DJs will guest, who have rarely or even never played in Zurich. Due to the central location of the venue in the middle of the city, there is a great potential to pick up many party enthusiasts (...) 	<ul style="list-style-type: none"> - Due to our team's lack of capital, we rely on proceeds from advance ticket sales to fund acts, location, technology, and most importantly, marketing campaigns. - (...)
	Threats	<ul style="list-style-type: none"> - Since a large part of our target group consists of young adults, the willingness to pay may be rather low among some of our guests. However, thanks to an efficient, lean team structure and strong partnerships, we can realize favorable ticket prices. - (...) 	<ul style="list-style-type: none"> - The merciless competitive situation could lead to a situation where potential earnings cannot be realized. - Due to crowded clubs and often overpriced admission prices, many people choose to spend New Year's Eve comfortably at home. - (...)

Once you have carried out these three steps, you should be able to assess whether you could manage the organization of your party (at least theoretically) and where you might need to create the necessary resources, or to what extent you are dependent on investors and partners. In the concrete example it became clear that a lack of financial resources is one of the biggest weaknesses. This results in risks, or because of the scarce financial resources, the party cannot be pre-financed. It is therefore obvious that you are dependent on investors and partners for the organization of your event, and above all on a payment on account of the ticketing income.

6. Actual rough concept

Provided that you have conscientiously worked through the previous points of the guide, you are probably ready to define the most important cornerstones of your party. At a minimum, you should define the following points:

6.1. Location, technology, and other infrastructure

Now choose your party location! Based on the expected number of visitors, the defined target group, their interests and needs, you should now have a well-founded idea of what your future location should look like (in terms of size, transport connections, etc.). Thanks to a comprehensive analysis of the competition, you should also be able to see where you could hold your party without being booted out by comparable events. When making your choice, be sure to consider your budget situation. The most beautiful location is of little use if you cannot afford it.

Once you have found a location, check what it offers and what you need to provide in terms of technical and other infrastructure such as stages, sound systems etc.

6.2. Event date

Now set an event date. Again, the previous analyses will help you select a suitable weekend. Also consider the event dates of your direct competitors and choose a time when your target group is most likely to be available and no other dates are scheduled. Do not only consider your competitors, but also put yourself in the position of your potential customers.

Since we want to organize a New Year's Eve party in this example, the date is already fixed by definition. Due to the date, we can expect that many people are looking forward to an extensive party night and want to celebrate exuberantly into the new year. However, we also must expect increased competition from other parties and therefore stand out accordingly with internationally known acts.

6.3. Personnel

Do not underestimate how much work is involved in organizing a party. So, do not start such a big project alone and make sure in advance that you can rely on a powerful team that will support you until the end. Be sure to plan enough budget for the remuneration of your employees, as well as for their meals. To keep the personnel costs within an affordable range, you will hardly be able to do without volunteers. Teenagers and students are good candidates for this and will certainly support you in return for free tickets, free drinks, etc.

6.4. Acts

Thanks to a comprehensive target group analysis, you now know for sure where their interests are located, and which acts you could book. It can also be helpful to take your competitor

analysis and study the lineup of your opponents. If you have examined comparable parties, you can orientate yourself to a certain extent on their bookings. But if possible, stay true to your concept. If, as in this example, you have decided in advance to focus on techno acts, do not let yourself be dissuaded just because other organizers choose a different genre.

6.5. Ticketing

Now check existing ticketing solutions. It is important to note that there are immense differences in pricing and the range of services. Also, not all providers make their fee structure transparent and comprehensible for the customer. Especially if you are new in the party business and have neither the experience of many years nor a luxurious financial basis, it is recommended to work with a proven, inexpensive partner who works with an [all-inclusive fee](#) and does not charge any fixed costs for event activation, admission equipment, etc. This way you can avoid unpleasant surprises in your final event bill. In this example, it is also crucial that the selected ticketing provider allows payments on account.

6.6. Marketing

As will be shown in the next subchapter, the contribution margin per party visitor ((variable revenues - variable costs) / number of visitors) is immense, especially in the party business. This means that each additional visitor means cash money for you, since this does not increase the fixed costs, causes only minimal variable additional costs, but brings you high variable revenues. Your personal calculations will certainly confirm this. With this knowledge in mind, it should be clear to you that you must not save money on event marketing! So be sure to plan enough budget here. If you work with an innovative ticketing provider, they will certainly [support you actively](#).

6.7. Ticket price, budgeting, and revenue forecast

6.7.1. Cost forecast

Now that you have decided on a location, a line up and a ticketing solution etc., it is time to set up a budget. First summarize all fixed costs. This includes the expenses for your location and the infrastructure, the fees of your acts, the personnel costs, marketing expenses or even fees for the permits. Choose your ticketing provider wisely, because here, as well, horrendous fixed costs for event activation, etc. can be incurred! Plan a safety margin of at least 10 percent for unforeseen events.

It is best to keep a tabular record of these costs:

Fixed costs	
Location rent	5'000.-
Stage & technical rental (sound, light)	1'000.-
Fees of the acts (incl. catering, hotel...)	6'000.-
Personnel costs (incl. catering)	3'000.-

Marketing costs	1'000.-
....	
Total fixed costs:	Ca. 16'000.-

In addition to fixed costs, there are of course also variable costs, i.e., costs per visitor. These are caused, among other things, using the infrastructure. Likewise, with additional party guests, the need for personnel, the amount of waste, the cost of rebuilding the location, etc. increases. If you are lacking concrete figures here, it is best to ask other organizers for empirical values or make a plausible estimate:

Variable costs	
Cleaning costs / visitor	1.-
Waste disposal / visitor	1.-
Admittance bracelet / visitor	1.-
Taxes (Suisa, visitor's tax) / visitor	3.-
...	
Total variable costs / visitor	Approx. 6.-

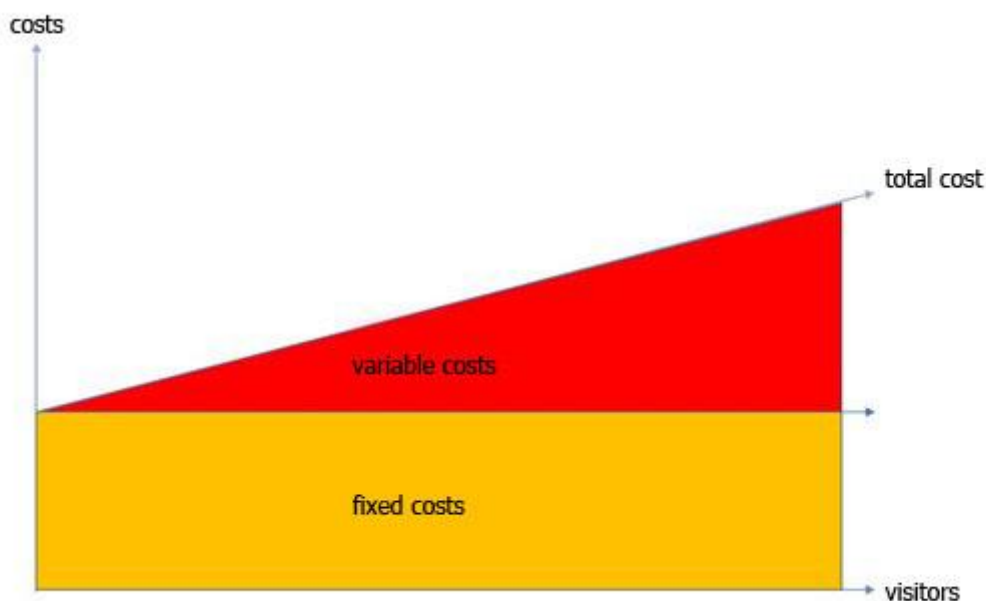
Now calculate the costs for several realistic scenarios. Cover at least the pessimistic, the expected and the optimistic number of visitors.

Pessimistic scenario (200 visitors): (fixed costs: 16'000.- + variable costs (200*6.-) = **17'200.-**

Expected scenario (350 visitors): (fixed costs: 16'000.- + variable costs (350*6.-) = **18'100.-**

Optimistic scenario (500 visitors): (fixed costs: 16'000.- + variable costs (500.*6.-) = **19'000.-**

And now shown graphically:



6.7.2. Revenue forecast

Depending on how successful you were in finding partners, there are also fixed revenues on the income side. Keep a running tabular record of these as well:

Fixed revenues	
Beverage partner	400.-
Catering partner 1	400.-
Catering partner 2	400
....	
Total fixed revenues:	Approx. 1'200.-

However, the largest share of your revenues is expected to be variable. These are primarily made up of the ticket revenues generated and the consumer revenues (food and beverage). In order to forecast your variable revenues, you first have to decide on a ticket price.

Setting the optimal ticket price is far less trivial than you might think. You need to consider your cost structure, competitor prices, price elasticity of demand, Cross-Selling Potential and many other factors. Check out the following article for more information.

Now also tabulate your estimated variable income:

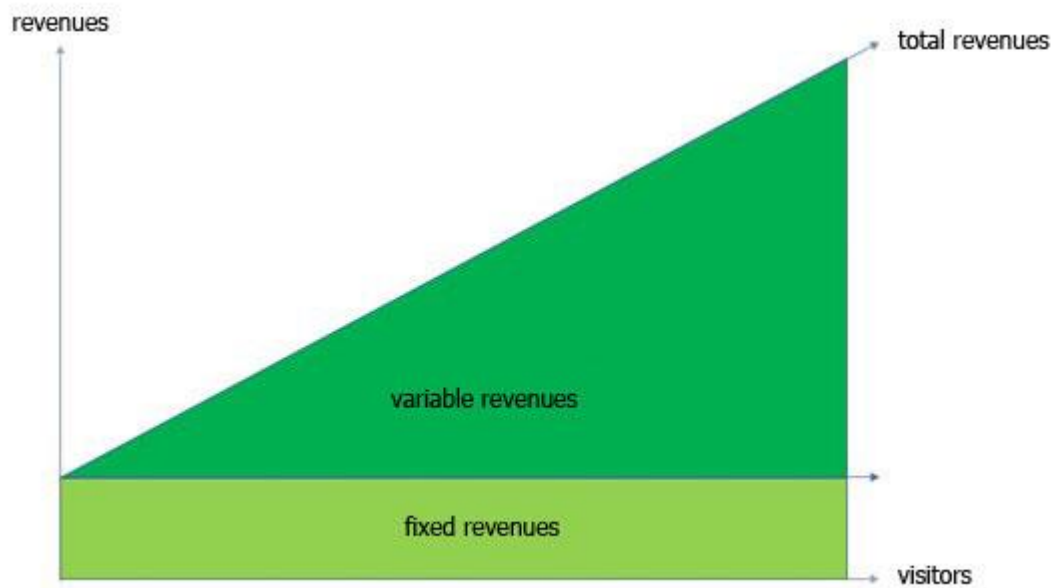
Variable revenues	
Ticket revenue / visitor	50.-
Share of beverage sales / visitor	3.-
Share of food turnover / visitor	3.-
....	
Total variable revenue / visitor	Approx. 56.-

Now calculate the revenues for several realistic scenarios. Cover at least the pessimistic, the expected and the optimistic number of visitors.

Pessimistic scenario (200 visitors): (fixed revenues: 1'200.- + variable revenues (200 *56.-) = **12'400.-**

Expected scenario (350 visitors): (fixed revenues: 1'200.- + variable revenues (350 *56.-) = **20'800.-**

Optimistic scenario (500 visitors): (fixed revenues: 1'200.- + variable revenues (500 *56.-) = **29'200.-**



Now combine the cost and revenue forecasts. Now you can see, from which number of visitors your party is cost-covering (break-even) and which profits you can expect, respectively which losses you can expect.

Pessimistic scenario (200 visitors): total revenues: 12'400.-
- Total cost 17'200.- = **loss of 4'800.-**

Expected scenario (350 visitors): total revenues: 20'800.-
- Total cost 18'100.- = **profit of 2'700.-**

Optimistic scenario (500 visitors): total revenues: 29'200.-
- Total cost 19'000.- = **profit of 10'200.-**

6.8. Break-Even-Point calculation

The individual scenarios already give you a rough impression of when your party is likely to start making profits. But now we want to know exactly. That's why we calculate the exact break-even number of visitors, i.e., the amount of visitors that have to visit your party, so that you at least write a black zero (no loss). So, we remember our dusty secondary school math skills and come up with the following formula:

Fixed costs + number of visitors * variable costs = fixed revenues + number of visitors * variable revenues

Or in numbers:

$$16'000.- + X * 6.- = 1'200.- + X*56.-$$

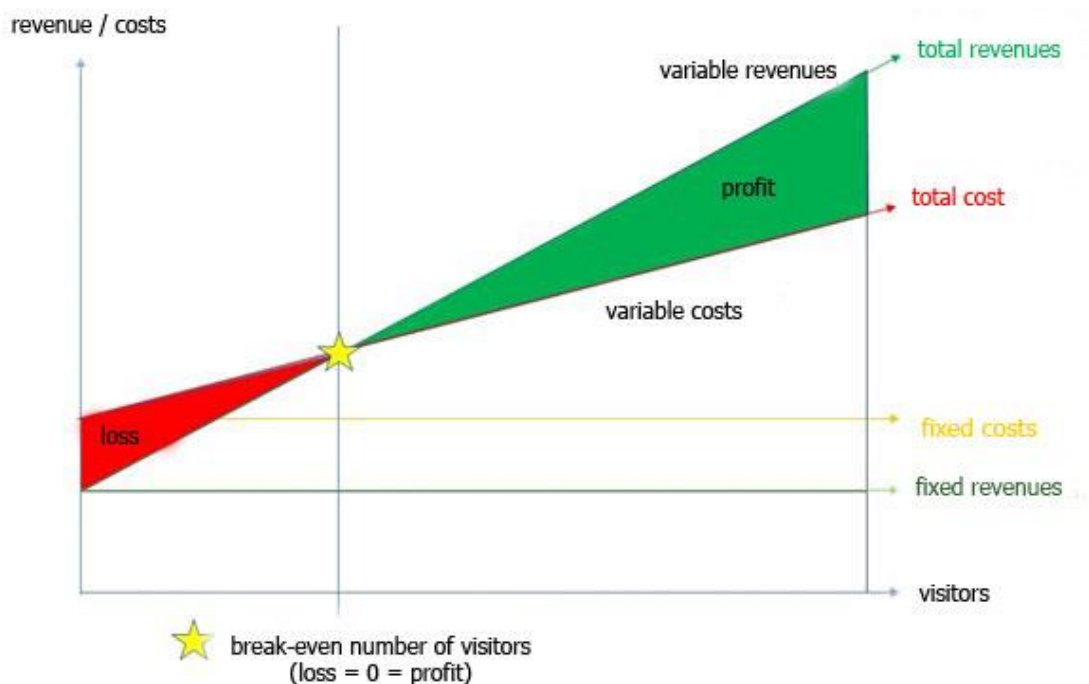
Then dissolve to X:

$$16'000.- = 1'200.- + 50X$$

$$14'800.- = 50X$$

$$X = 296$$

For our fictitious party, this means that we should make a small profit from 296 visitors. Below 296 visitors, however, we will incur losses according to our calculation. Note here that such calculations are never 100% accurate, since they are naturally based on a large number of assumptions!



Especially when it comes to budgeting, you should take your time and do some serious research. This is where it becomes clear whether the realization of your party is likely to be a good deal for you or rather a cost trap. If the numbers look bad for you, think about whether you can save costs or generate additional revenues. This is where partners may come into play.

Not in the mood for complicated budgeting calculations? No problem! [Our innovative budgeting table](#) will do the math for you! (in German)

Investors, sponsors, and partners

Thanks to the comprehensive budgeting phase, you are now hopefully aware of the costs that you will incur when holding your party. You can also roughly estimate your potential income and, what is even more important, prove it in a comprehensible way. Now the time has come to actively hunt for partners and, if necessary, to bring investors on board. See the article «Sponsors - the solution to your financing problems» for more information.



It is important that you show both your potential investors and partners that your event has potential and that an investment in this project will definitely pay off. In addition, show that you understand something about your business. The knowledge gained from this concept creation will certainly serve you well. Of course, you will be aware that sales aspects are in the foreground when courting investors and partners. Accordingly, this version of your concept should present the planned project in a few pages in a promising way.

6.9. Safety, conditions, and approval procedures

Not exactly the most exciting or creative aspect in the life of an organizer, but the various requirements that a party must fulfill, or the approval procedures that it has to go through, are still important! So, talk to the responsible authorities as early as possible and clarify what safety regulations you must observe, how many sanitary facilities you have to provide and what other restrictions (noise etc.) you have to respect. Be aware that the implementation of your project may ultimately fail due to a missing signature of an official on a permit form! If necessary, create further detailed concepts (safety concept, waste disposal concept, etc.) for communication with the authorities. When these are ready, do not forget to include the estimated costs for paramedics, security personnel, licenses, permit procedures, etc. in your budget.

TICKETINO team wishes you good luck with your next event. If you have any questions or would like further advice, our event professionals will be happy to help you by e-mail (info@ticketino.com) or by phone on +41 43 500 40 80.