

Business Network

Her trick is making it look just far too easy

Janine Perrett talks to a microbiologist turned conference organiser.

THE problem with Dianna Crebbin's boss is that the better she does it, the less the client appreciates it.

In the intense world of conference organising, if everything runs smoothly it leads many people to think it must be so easy they can do it themselves.

"You get plenty of people who say 'my secretary can do that' and they have no idea of the complexity of what you are undertaking," Crebbin explains.

"It's a big challenge to educate the client to appreciate the amount of work and planning that goes into it so that it all works beautifully."

She points out that her work is a lot more complex than the popular image of "event organisers" who swan around five-star hotels organising big parties.

Improving awareness is only one challenge among many for Crebbin's DC Conferences Pty Ltd, which not only organises exhibitions and conferences but also raises funding for the entire event as well.

And if you think handling one bank account for your own business is painful enough, try negotiating dozens of different accounts for every individual conference and running budgets of up to half a million dollars on each one.

It's no wonder, as she points out, the high turnover in this highly competitive industry is often due to burn-out.

"There are a lot of nervous breakdowns because of the stress of organising everything," Crebbin says matter of factly.

"I don't want to go down that path, so we have the systems in place to ensure we aren't working under too much stress."

Indeed, the polished and composed Crebbin, a 20-year veteran of the industry, does not look like a woman on the verge of a nervous breakdown. Those two decades of experience have taught her to keep the client at the smaller, manageable end.

DC Conferences runs a respectable eight to 10 significant events a year and has five full-time employees who are university graduates and picked and trained for a lengthy career path. It's why she keeps them on during the slow periods in a notoriously cyclical industry.

It's also why networking and good word of mouth is more crucial than traditional marketing and advertising. Her firm specialises in conferences for professional associations including lawyers, judges and, in particular, medical groups.

The Australian Pain Society was her first client and she still organises their annual conference today. This helps explain her unusual career path.

Crebbin did a science degree at university specialising in biochemistry and microbiology and worked in the medical research industry for over a decade while raising four children.



Dianna Crebbin... the easier it looks to make things run smoothly the harder she has worked.
Photo: Lisa Wiltsie

During her first career she travelled extensively and attended many conferences, which is how she came into the next phase.

"I was thinking, totally naively, that having gone to lots of conferences myself I could do that because I thought I had those organisational skills," she says.

"Although I started out very slowly, I certainly wouldn't advise that to anyone else though - in fact it is one of the real problems of the industry, that there is no real entry point."

She fears that the fact that just anyone can set up shop could undermine the professionalism of the rest of the industry, a problem she is trying to address by working together to provide support for the other professional firms.

However, there is still an issue of undercutting on prices as the unprepared players charge unrealistically low amounts. Crebbin refuses to tender for events where the price cutting is "ridiculous" - indeed pricing is a major issue.

"When setting the fee we never charge enough," she says.

"It's a challenge to charge as a professional consultancy because we can be

CHALLENGES FOR DC CONFERENCES

- Educating client to appreciate it's not as easy as it looks
- Charging correctly to reflect complexity of work
- Handling accounts and budgets and dealing with bank bureaucracy

handling up to half a million dollars of clients' money."

She explains that DC Conferences is basically managing all the money then taking out their fees and returning the surplus to the client. Pricing is based on factors like the total number of delegates, break-out sessions and days the conference runs.

DC Conferences will price the accommodation and other facilities according to the budget they devise, although there are inevitably surprises which the client has failed to forewarn them about - like the dozens of unexpected overseas delegates who turned up for a recent event needing everything from accommodation to visas.

"Often it is hard to get a comprehensive brief from the client because quite often they don't know what they're actually asking us to do," she says.

DC Conferences is a profitable business but Crebbin stresses, "you work very, very hard for your profit."

The pricing issue is one of the reasons her firm also undertakes the fund-raising side of the event as, contrary to popular opinion, many of the professional associations don't necessarily have sufficient funds beforehand.

While many other conference organisers don't offer the service, Crebbin finds it can help with the overall budget of the event.

"The conference and exhibition fee subsidises the registration fee for the delegates," she explains.

She concedes that it can be difficult to explain to the client the separate charge for the "raising the money side". But she also points out that DC Conferences has never run an event at a loss, a testimony to the firm's financial management skills.

"There's all the accounting and pressure as we're running their budgets, paying their bills and reconciling each account," she says.

She points out that in this business they must do everyone else's paperwork as well as their own. The fact that each conference must have its own separate bank account only increases the red tape burden.

"The banks don't understand our business as we don't fit into any of the categories, so every time we go to open an account in the name of the conference we have huge problems," Crebbin says.

"Our girls go to the bank every couple of weeks and are turned away because the banks don't understand what they're doing for this account. They spend hours at the bank trying to explain."

Despite the pressure of the business, Crebbin maintains her professional composure and continues to run the business smoothly despite its cyclical nature.

In recent years the firm has weathered the SARS and September 11 terrorist attacks which threatened to disrupt overseas attendance at local conferences. After a quiet period two years ago, the firm has since been growing by a strong 30 per cent a year.

Crebbin is already working on her 2007 schedule and thinks the growth will be slower but still a respectable 15 per cent.

Read all about it to stay ahead



JANINE PERRETT

A CAREFUL perusal of newspapers and the web each day can provide small businesses with a surprising number of stories relevant to their own situation.

I'm not talking about the obvious articles on rising interest rates or soaring petrol prices, nor even tax reform debate - but the tiny little gems that can prove helpful or serve as a timely warning.

Recently there was a small news item about a budding entrepreneur who was actually a trickster ripping off customers with a fake microwave accreditation business.

Jason Crosson's company, Microwave Safe Australia Pty Ltd, paid for thousands of "workplace safety bulletins" in Department of Commerce envelopes complete with the NSW coat of arms.

The official-looking pamphlets gave the impression he was affiliated with the Government and that there was a legal duty of care under occupation health and safety (OH&S) laws to have microwave ovens inspected annually.

It fooled plenty of workplaces. Crosson's business inspected up to 12,000 microwaves a year, charging from \$45 to \$85 an oven.

The good news is he was successfully prosecuted for false and misleading conduct but the bad news is small businesses, in particular, have to be vigilant against such skulduggery.

Crosson fooled plenty of workplaces.

After all, who hasn't been so overwhelmed by ridiculous rules and regulations OH&S and other areas that they could easily be fooled?

Court stories are a source of constant interest, like the recent Federal Court battles between Darrell Lea and Cadbury over the use of the colour purple in branding, and Woodworths and B&W also slugging it out in court over trademark issues concerning the colour green. Following such stories is a cheap way for small business to find out what the future might hold in these areas.

Other stories of interest recently include the removal of furniture from a home by a furniture store and a cache of jewellery in furniture he moved from an elderly woman at a nursing home.

Police charged the owner with theft after failing to return the items - a timely reminder of the "honesty pays" adage for business.

And of course there is an endless supply of stories about surveys that can prove invaluable or useless depending on how you wish to quote them at the appropriate time.

In *The Age* recently we heard that "old computers are harming office morale".

Apparently a survey of 2700 offices in Europe by Tichbox found that "aging and unreliable computers make workers unhappy and more likely to take sick leave".

Newspaper letters pages are full of opinions that resonate with small businesses.

Take this recent one from Malcolm Beeson of Turramurra: "If our company wants its products at supermarket checkouts, we have to pay a premium - bribe? If we have a new product we have to pay a contribution to advertising. When the Coles inquiry is over, can we have a Woolworths inquiry?"

janineperrett@access.fairfax.com.au

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WHAT THE EXPERTS SAY

DC Conferences

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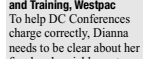
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Understand fixed and variable costs when pricing

David Dandie
Head of Business Advisory and Training, Westpac



To help DC Conferences charge correctly, Dianna needs to be clear about her fixed and variable costs. She needs to consider things such as wages, overheads like rent and equipment, and forecast what profit she would like to make before she issues a client brief. Dianna should break down the work involved for each event into units of time and complexity and charge accordingly at different rates. She should keep track of time spent on each task - by using timesheets - and develop a system that will help make the entire event management process more manageable.

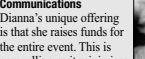
Dianna should re-assess past events where the business might have undercharged and look at how she could do things differently; one task estimated to take three hours might realistically have taken half a day. It's likely that many events will use a similar formula and many aspects of the job will be repeated.

Knowing when to outsource could also help minimise costs. For example, perhaps she could hire someone to meet and greet clients at the airport, which would help free up staff time to concentrate on other tasks.

Finally, testimonials from happy clients should be included on the company website explaining how DC Conferences helped their business. These are a great way to educate new clients about what the company does.

Position your business at the top end of the market

Prue MacSween
Director, Werve Communications



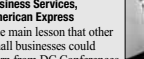
Dianna's unique offering is that she raises funds for the entire event. This is compelling as it minimises the client risk and adds value to her service. She seems to be typical of many SMEs that undervalue themselves and are afraid to price services at the proper market rate. Dianna should make it a policy not to work with clients who nickel and dime her. She should position her business at the top end of the market and walk away from jobs that compromise her product. The client who doesn't understand the value of your service will never be happy.

While she says she is making profit, I suspect she is over-servicing and underestimating the hours she devotes to each event. Dianna needs to ensure she has completed a detailed budget for every job before she quotes on it and begins work. There should also be a contingency plan for the hundreds of unexpected issues that will arise. Perhaps billing clients in segments or providing work-in-progress reports throughout the process would help.

As she said, client testimonials would be the key to her continued growth and success - you can afford to charge a premium when you have a great reputation. Time spent on gathering these testimonials and filming and photographing her work would be a worthwhile investment.

Ask your bank for a personal banking manager

Rajarshi Ray
Head of Small Business Services, American Express



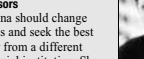
The main lesson that other small businesses could learn from DC Conferences is that there is no shame in charging what your work is worth. In fact, in the long term it's essential. Otherwise, what you're really doing is a hobby - not a business.

I have two suggestions for DC Conferences: one practical and the other slightly more strategic. The bank account issue that her staff seem to face so often on behalf of clients could be addressed relatively simply: Dianna should ask her bank for a personal manager. If the bank won't give her one, she should change to one that will. She is certainly generating enough business to warrant personalised service, and someone who is familiar with her company would be able to help her establish accounts on an ongoing basis.

The strategic suggestion for DC Conferences is to try to generate additional revenue streams to help smooth out the cyclical nature of the business. Someone with Dianna's skills, and indeed her employees' skills, is valuable in fields outside event management. Given that Dianna wants the business to remain a certain size, she could consider acting as a consultant and contracting her expertise as needed. For example, there might be a demand for stand-alone services in project management or fundraising.

Guarantee a profitable event and charge more

John Stewart
Director, Stewart Business Advisors

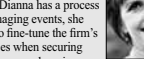


Dianna should change banks and seek the best offer from a different financial institution. She is entitled to a relationship with someone from the bank who takes responsibility for each new account. Alternatively, she should demand this service from her existing bank and leave if it is not provided. Opening client accounts with significant cash deposits would be attractive to many banks.

Dianna says she's never run a conference at a loss. She could back her experience and give clients a guarantee that the conferences she organises will be profitable. She should charge a bonus for the guarantee of 25 per cent of the conference profit. If the event operates at a loss, she should offer to meet 25 per cent of the loss. In this way, she's promoting the company's excellence and track record and increasing her revenue by sharing in the conference's success.

Fine-tune processes for proposals and pricing

Carolyn Stafford
Director, Connect



Just as Dianna has a process for managing events, she needs to fine-tune the firm's processes when securing jobs to ensure she prices correctly and educates clients about the value DC Conferences offers.

Dianna needs to develop systems to create more accurate briefs. By breaking down every step involved in managing an event, She could more accurately assess the correct amount to charge and help clients understand what is involved. Part of the process in the initial stages is to clearly demonstrate value to the client and manage the briefing process. Dianna might need to reassess her pricing model and identify whether it's better to charge a fixed fee or an hourly rate. Perhaps she should consider hiring a professional proposals writer.

She could educate clients by showing them a reel of past events DC Conferences handled and what they actually did. She should demonstrate how a good event manager can save them time and money, and highlight what could go wrong if they don't invest in a seasoned expert.

DC Conferences should also make a point of its specialisation in certain industries. The business should detail what it does differently or better than other event managers, which could help justify its price and emphasise its value.

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