




Financial Management



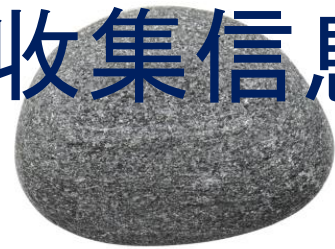
财务管理

JAN TONKIN





Collecting Information 收集信息



Key Considerations

主要考虑事项

Bottom line target

Minimum? Maximum? Mandatory?

Likely attendance

Conservative

Seed funds

Amount needed? Availability?

Tax regime

Operating rules



Income 收入

The past

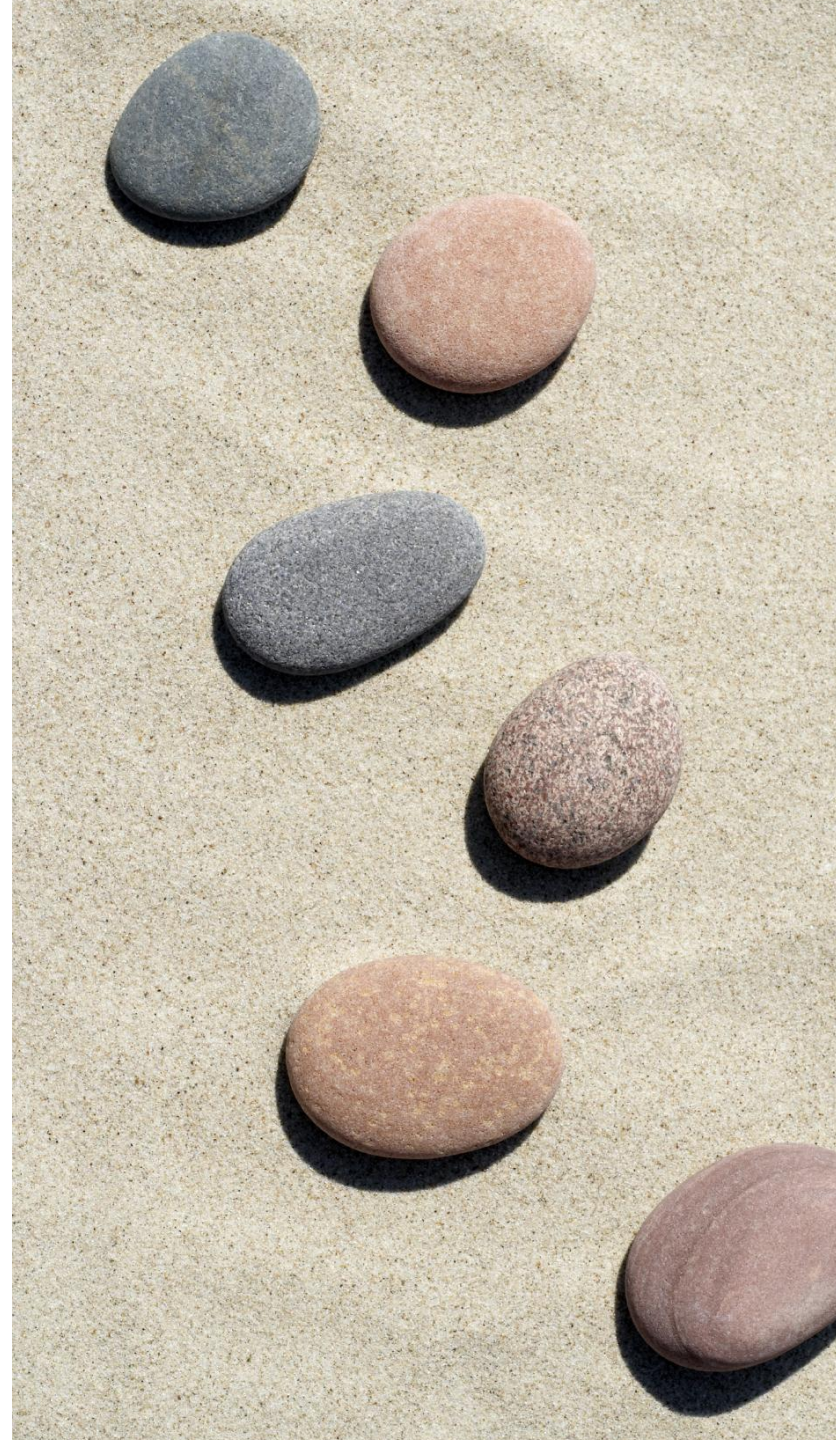
Registration fees & categories
Sponsorship

The present

Economic climate
Fees for competing congresses
Sponsorship guidelines

The destination

Appeal
Accessibility



Expenditure 支出

Guidelines....

...to adhere to

Client

vision & resources

Essential....

....or discretionary

Suppliers' costs

Start with estimates

Replace with quotes

Contingency



Organising Information

组织信息



Budget 预算

Captures in one document

Income

Fixed costs

Variable costs

Profit/Loss calculation



Budget – Income Tips

预算 - 收入提示

Registration fees

Include all categories, estimate %s

Sponsorship

Be realistic! Base it on research

Exhibitions

Don't expect 100% sales

Make prices affordable

Other

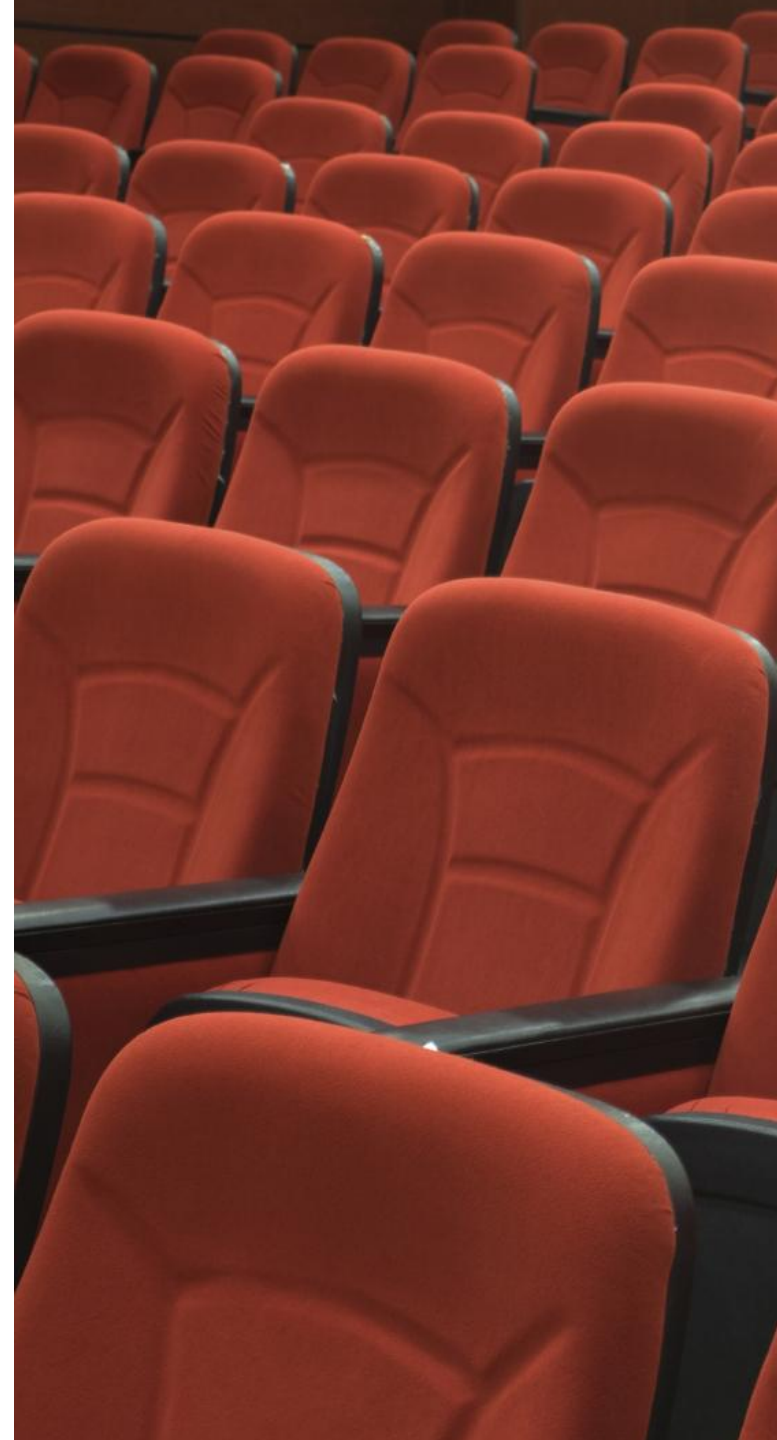
Include sales, e.g. social function, workshops, field trips



Budget – Fixed costs

预算—固定费用

- ☐ venues
- ☐ communications
- ☐ publications
- ☐ promotion
- ☐ banners/signs/furniture/décor
- ☐ equipment and technical support
- ☐ speakers
- ☐ programme
- ☐ client expenses
- ☐ functions
- ☐ conference management
- ☐ finance



Fixed costs – Tips

固定費用 – 贴士

Replace estimates with quotes

Use your checklist

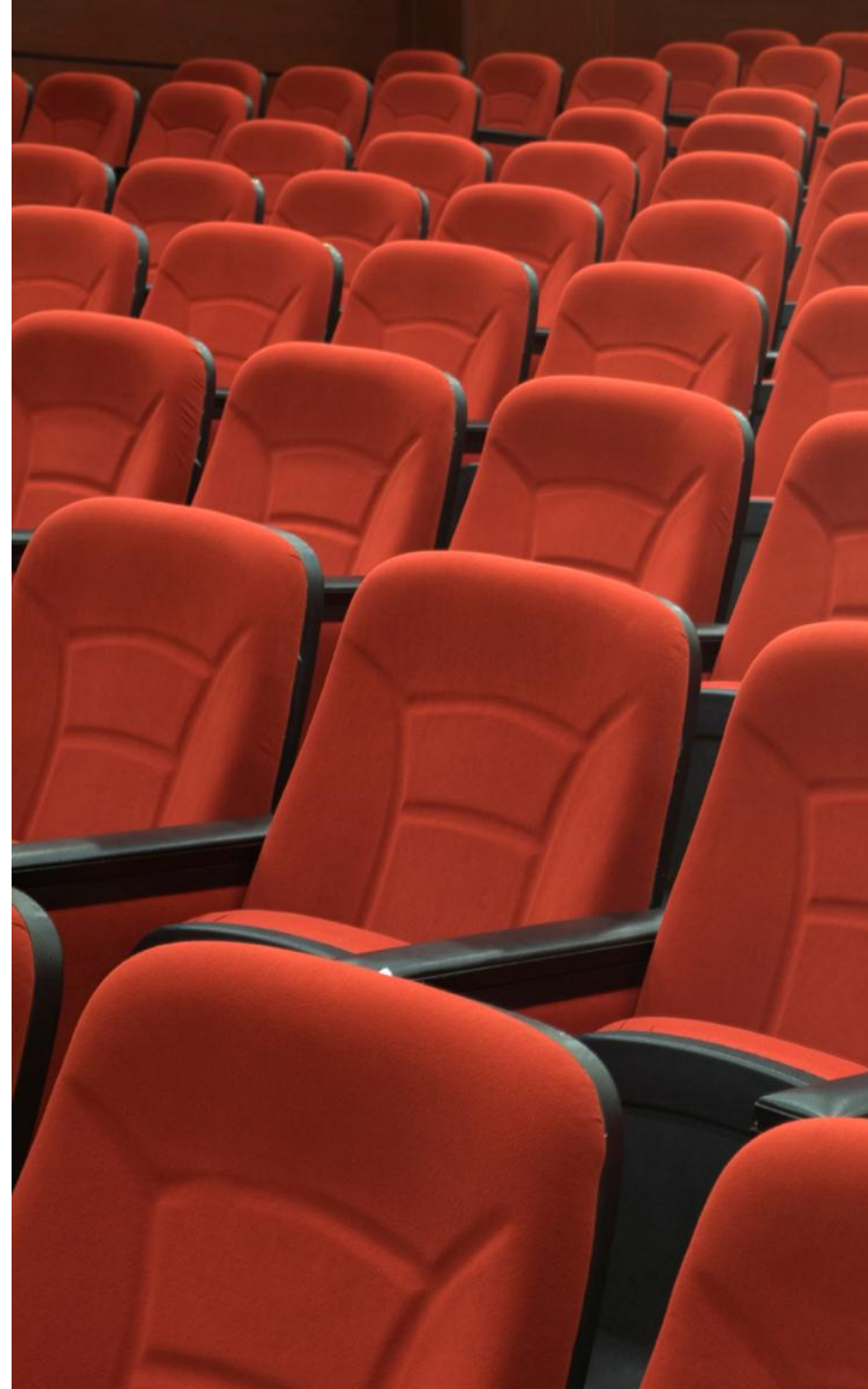
Think of everything:

Review the 'lead up' and the 'on the day'

Include a contingency:

Reduce over time as costs are confirmed

Update and fine tune



Budget – Variable costs

预算 - 可变成本

- ☐ Catering, functions, field trips
- ☐ Congress pack, name badge
- ☐ Credit card commission on registration fees
- ☐ Congress management (if quoting per head)



Variable Costs – Tips

可变成本 — 贴士

Use quotes rather than estimates

Include entitlements for complimentary registrations

Check cost of dinner

- Correct number of people including guests
- Match to numbers advised to caterers



Cashflow 现金流

Captures in one document

When you expect to *receive income*

Timing of *receipt* of sponsor
and exhibition sales

When you expect to *pay expenses*

Any times in the project when
additional funds will be needed to
maintain solvency



Cashflow forecasting 现金流预测

Building a cashflow 建立现金流

		2017		2018				2019	
	Total	Q3 17	Q4 17	Q1 18	Q2 18	Q3 18	Q4 18	Q1 19	Q2 19
Venue	\$523,045								
Convention Centre		51,205			153,614		204,818	102,409	
Dinner Venue			3,630					7,370	

Venue hire of \$512,045 is to be paid in instalments:

Q3 2017 – 10%

Q2 2018 – 30%

Q4 2018 – 40%

Q1 2019 – 20%

Cashflow forecasting 现金流预测

Cumulative balance 累计余额

Meeting Cashflow - Profit & Loss										
Attendance Paying Delegates Total Participants		1000 1,052	Already Paid	2017 Q3 17 Q4 17		2018 Q1 18 Q2 18 Q3 18 Q4 18				2019 Q1 19 Q2 19
Total Income		\$ 1,786,004	\$ -	\$ 20	\$ 31,060	\$ 65,500	\$ 138,418	\$ 290,432	\$ 1,011,856	\$ 248,718 \$ -
	Tax		-	-	4,650	9,825	20,763	43,565	151,778	37,308 -
Total Expenditure		\$ 1,704,256	\$ 17,243	\$ 66,619	\$ 25,046	\$ 13,374	\$ 186,182	\$ 103,684	\$ 521,269	\$ 770,840 \$ -
	Tax		2,586	9,993	3,757	2,006	27,927	15,553	78,190	115,626 -
PROFIT/LOSS		\$ 81,748	\$ (17,243)	\$ (66,599)	\$ 6,014	\$ 52,126	\$ (47,763)	\$ 186,748	\$ 490,588	\$ (522,122) \$ -
Other Transactions										
Tax Payable/(Refundable)				(2,586)	(9,993)	893	7,819	(7,165)	28,012	73,588 (78,318)
Seed funds										
Net inflow/(Outflow)		\$ (19,830)	\$ (74,006)	\$ 16,900	\$ 59,052	\$ (62,747)	\$ 221,925	\$ 536,163	\$ (674,028)	\$ 78,318
Cumulative Balance		\$ (19,830)	\$ (93,836)	\$ (76,935)	\$ (17,884)	\$ (80,630)	\$ 141,295	\$ 677,458	\$ 3,430	\$ 81,748

Cumulative balance is the amount you have in cash
at the end of each quarter

Cashflow forecasting 现金流预测

Seeding funds 播种资金

AttendancePaying Delegates Total Participants		1000 1,052	Already Paid	2017 Q3 17 Q4 17		2018 Q1 18 Q2 18 Q3 18 Q4 18				2019 Q1 19 Q2 19	
Total Income											
		\$ 1,786,004	\$ -	\$ 20	\$ 31,060	\$ 65,500	\$ 138,418	\$ 290,432	\$ 1,011,856	\$ 248,718	\$ -
	Tax		-	-	4,650	9,825	20,763	43,565	151,778	37,308	-
Total Expenditure		\$ 1,704,256	\$ 17,243	\$ 66,619	\$ 25,046	\$ 13,374	\$ 186,182	\$ 103,684	\$ 521,269	\$ 770,840	\$ -
	Tax		2,586	9,993	3,757	2,006	27,927	15,553	78,190	115,626	-
PROFIT/LOSS		\$ 81,748	\$ (17,243)	\$ (66,599)	\$ 6,014	\$ 52,126	\$ (47,763)	\$ 186,748	\$ 490,588	\$ (522,122)	\$ -
Other Transactions											
Tax Payable/(Refundable)				(2,586)	(9,993)	893	7,819	(7,165)	28,012	73,588	(78,318)
Seed funds											
Net inflow/(Outflow)			\$ (19,830)	\$ (74,006)	\$ 16,900	\$ 59,052	\$ (62,747)	\$ 221,925	\$ 536,163	\$ (674,028)	\$ 78,318
Cumulative Balance			\$ (19,830)	\$ (93,836)	\$ (76,935)	\$ (17,884)	\$ (80,630)	\$ 141,295	\$ 677,458	\$ 3,430	\$ 81,748

Cashflow enables you to see the maximum amount of funding required
Means you can clearly communicate to the party funding the project
how much funding is required and when

Cashflow forecasting 现金流预测

Seeding funds 播种资金

AttendancePaying Delegates Total Participants	1000 1,052	Already Paid	2017 Q3 17 Q4 17		2018 Q1 18 Q2 18 Q3 18 Q4 18				2019 Q1 19 Q2 19	
Total Income	\$1,786,004	\$ -	\$ 20	\$ 31,060	\$ 65,500	\$ 138,418	\$ 290,432	\$ 1,011,856	\$ 248,718	\$ -
Tax		-	-	4,650	9,825	20,763	43,565	151,778	37,308	-
Total Expenditure	\$1,704,256	\$ 17,243	\$ 66,619	\$ 25,046	\$ 13,374	\$ 186,182	\$ 103,684	\$ 521,269	\$ 770,840	\$ -
Tax		2,586	9,993	3,757	2,006	27,927	15,553	78,190	115,626	-
PROFIT/LOSS	\$ 81,748	\$ (17,243)	\$ (66,599)	\$ 6,014	\$ 52,126	\$ (47,763)	\$ 186,748	\$ 490,588	\$ (522,122)	\$ -
Other Transactions										
Tax Payable/(Refundable)			(2,586)	(9,993)	893	7,819	(7,105)	28,012	73,588	(78,318)
Seed funds		100,000				(100,000)				
Net inflow/(Outflow)		\$ 80,170	\$ (74,006)	\$ 16,900	\$ 59,052	\$ (62,747)	\$ 121,925	\$ 536,163	\$ (674,026)	\$ 78,318
Cumulative Balance		\$ 80,170	\$ 6,164	\$ 23,065	\$ 82,116	\$ 19,370	\$ 141,295	\$ 677,458	\$ 3,430	\$ 81,748

What happens if you repay seed funds *as soon as it is practical*?

Impact: surplus funds can be used by client for other purposes

Tip: ensure you do not end up in a negative position at any time

Cashflow forecasting 现金流预测

Seeding funds 播种资金

Attendance	Paying Delegates	1000	Already Paid	2017		2018				2019	
Total Participants		1,052		Q3 17	Q4 17	Q1 18	Q2 18	Q3 18	Q4 18	Q1 19	Q2 19
Total Income											
		\$1,786,004	\$ -	\$ 20	\$ 31,060	\$ 65,500	\$ 138,418	\$ 290,432	\$ 1,011,856	\$ 248,718	\$ -
Tax			-	-	4,650	9,825	20,763	43,565	151,778	37,308	-
Total Expenditure		\$1,704,256	\$ 17,243	\$ 66,619	\$ 25,046	\$ 13,374	\$ 186,182	\$ 103,684	\$ 521,269	\$ 770,840	\$ -
Tax			2,586	9,993	3,757	2,006	27,927	15,553	78,190	115,626	-
PROFIT/LOSS		\$ 81,748	\$ (17,243)	\$ (66,599)	\$ 6,014	\$ 52,126	\$ (47,763)	\$ 186,748	\$ 490,588	\$ (522,122)	\$ -
Other Transactions											
Tax Payable/(Refundable)				(2,586)	(9,993)	893	7,819	(7,165)	28,012	73,588	(78,318)
Seed funds		100,000								(100,000)	
Net inflow/(Outflow)		\$ 80,170	\$ 80,170	\$ (74,006)	\$ 16,900	\$ 59,052	\$ (62,747)	\$ 221,925	\$ 536,163	\$ (674,028)	\$ (21,682)
Cumulative Balance		\$ 80,170	\$ 80,170	\$ 6,164	\$ 23,065	\$ 82,116	\$ 19,370	\$ 241,295	\$ 777,458	\$ 103,430	\$ 81,748

What happens if you repay seed funds *at the end of the project?*

Impact: surplus funds in Q4 2018 not being utilised

Fixed cost payments 固定費用支払

1st deposit for venue is payable in Q3 2017

Impact: there is only just enough cash available in Q3

Cashflow forecasting 现金流预测

Fixed cost payments 固定费用支付

		2017		2018				2019	
	Total	Q3 17	Q4 17	Q1 18	Q2 18	Q3 18	Q4 18	Q1 19	Q2 19
Venue	\$523,045		51,205		153,614		204,818	102,409	
Convention Centre (including basic a/v)								7,370	
Dinner Venue			3,630						

Cumulative Balance	\$ 80,170	\$ 65,049	\$ 15,384	\$ 82,116	\$ 19,370	\$ 141,295	\$ 677,458	\$ 3,430	\$ 81,748
---------------------------	-----------	-----------	-----------	-----------	-----------	------------	------------	----------	-----------

1st deposit for venue is payable in Q4 2017

Impact: cashflow is more than adequate in Q3

Cashflow forecasting 现金流预测

Registration revenue 注册收入

Registration fees			Already Paid			2018				2019			
Timing	1,000			Q3 17	Q4 17	Q1 18	Q2 18	Q3 18	Q4 18	Q1 19	Q2 19		
		Earlybird				3%		30%	67%	75%	100%		
		Standard				25%							
		Onsite											
	Earlybird	\$533,600		0	0	\$0	\$16,008	\$160,080	\$357,512	\$0	0		
	Standard	\$229,600		\$0	\$0	\$0	\$0	\$0	\$57,400	\$172,200	\$0		
	Onsite	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Registration Income		\$763,200		\$0	\$0	\$0	\$16,008	\$160,080	\$414,912	\$172,200	\$0		

30% of earlybird registration fee revenue is received in Q3 2018

Impact: positive cashflow is achieved

Cashflow forecasting 现金流预测

Registration revenue 注册收入

Registration fees	Timing		Already Paid			2018				2019	
		1,000		Q3 17	Q4 17	Q1 18	Q2 18	Q3 18	Q4 18	Q1 19	Q2 19
		<i>Earlybird</i>						3%	10%	87%	
		<i>Standard</i>							25%	75%	
		<i>Onsite</i>								100%	
	Earlybird	\$533,600		0	0	\$0	\$16,008	\$53,360	\$464,232	\$0	0
	Standard	\$229,600		\$0	\$0	\$0	\$0	\$0	\$57,400	\$172,200	\$0
	Onsite	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Registration Income		\$763,200		\$0	\$0	\$0	\$16,008	\$53,360	\$521,632	\$172,200	\$0

Only 10% of earlybird registration fee revenue is received in Q3 2018

Impact: reduction in revenue projected (\$106,520) results in a negative cashflow position which means suppliers cannot be paid in that period

Tip: ensure you use registration booking %s which are really achievable

Cashflow forecasting

Sponsorship revenue 赞助收入

	Total	% of total per instalment	2017		2018			
			Q3 17	Q4 17	Q1 18	Q2 18	Q3 18	Q4 18
Sponsorship Income								
	1st instalment	50%	0%	10%	15%	26%	26%	23%
	2nd instalment	50%						100%
First instalment	\$310,000		\$0	\$31,000	\$46,500	\$80,600	\$80,600	\$71,300
Second instalment	\$310,000		\$0	\$0	\$0	\$0	\$0	\$310,000
	\$620,000		\$0	\$31,000	\$46,500	\$80,600	\$80,600	\$381,300

Confirm number of instalments and % of payment for each instalment
Sponsors prefer to pay in instalments

Cashflow forecasting 现金流预测

Sponsorship revenue 赞助收入

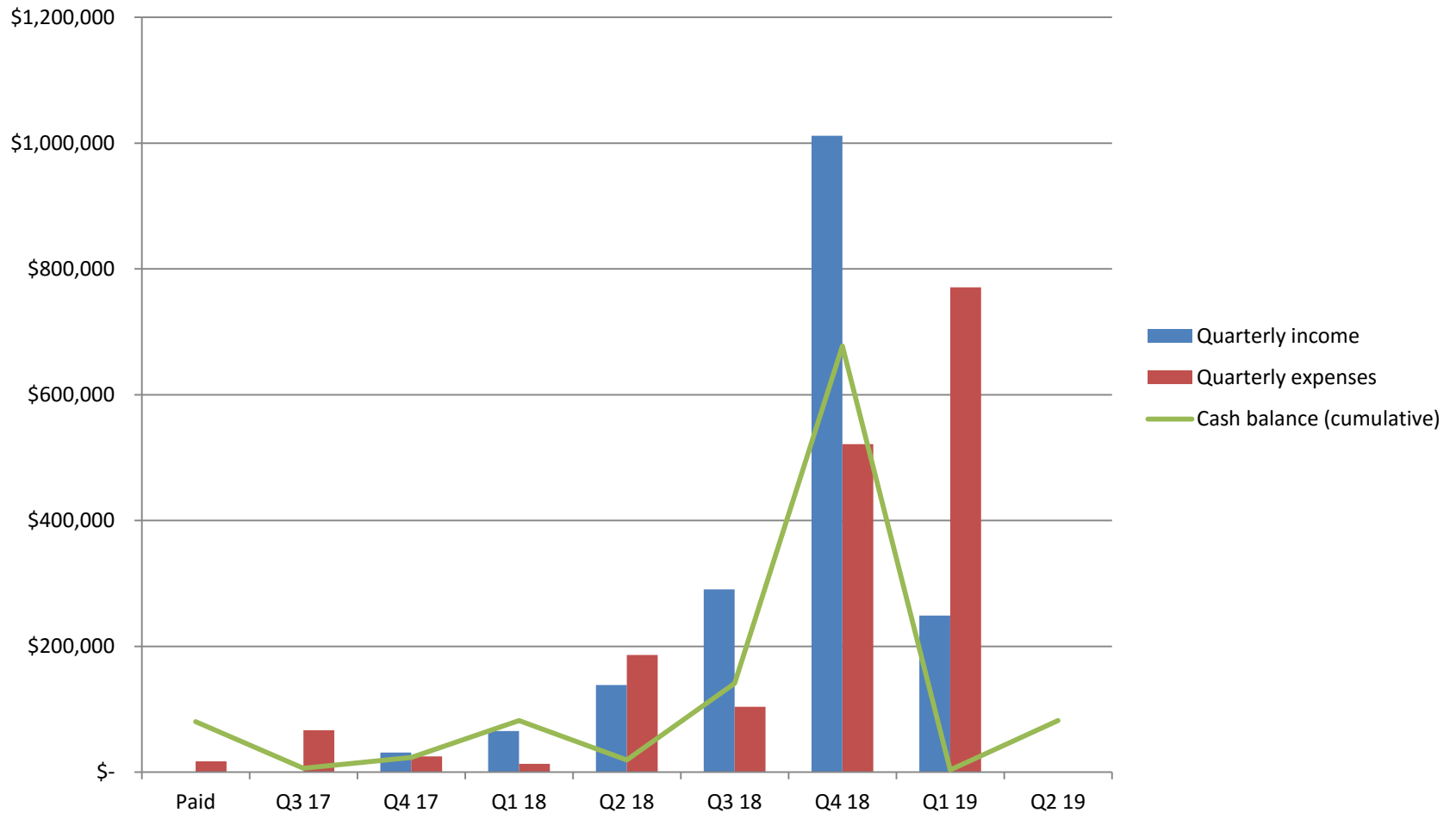
	Total	% of total per instalment	2017		2018			
			Q3 17	Q4 17	Q1 18	Q2 18	Q3 18	Q4 18
Sponsorship Income								
1st instalment		50%	0%	10%	15%	26%	26%	23%
2nd instalment		50%						100%
First instalment	\$310,000		\$0	\$31,000	\$46,500	\$80,600	\$80,600	\$71,300
Second instalment	\$310,000		\$0	\$0	\$0	\$0	\$0	\$310,000
	\$620,000		\$0	\$31,000	\$46,500	\$80,600	\$80,600	\$381,300

Estimate when sales are likely to be secured and then assess when instalments will be paid

Tip: ensure you use sponsorship sales %s which are really achievable

Cashflow example 现金流示例

Cashflow by quarter



Cashflow – Tips 现金流 — 贴士

Link to budget

Double-check calculations
ending cash must match profit

Include sales tax

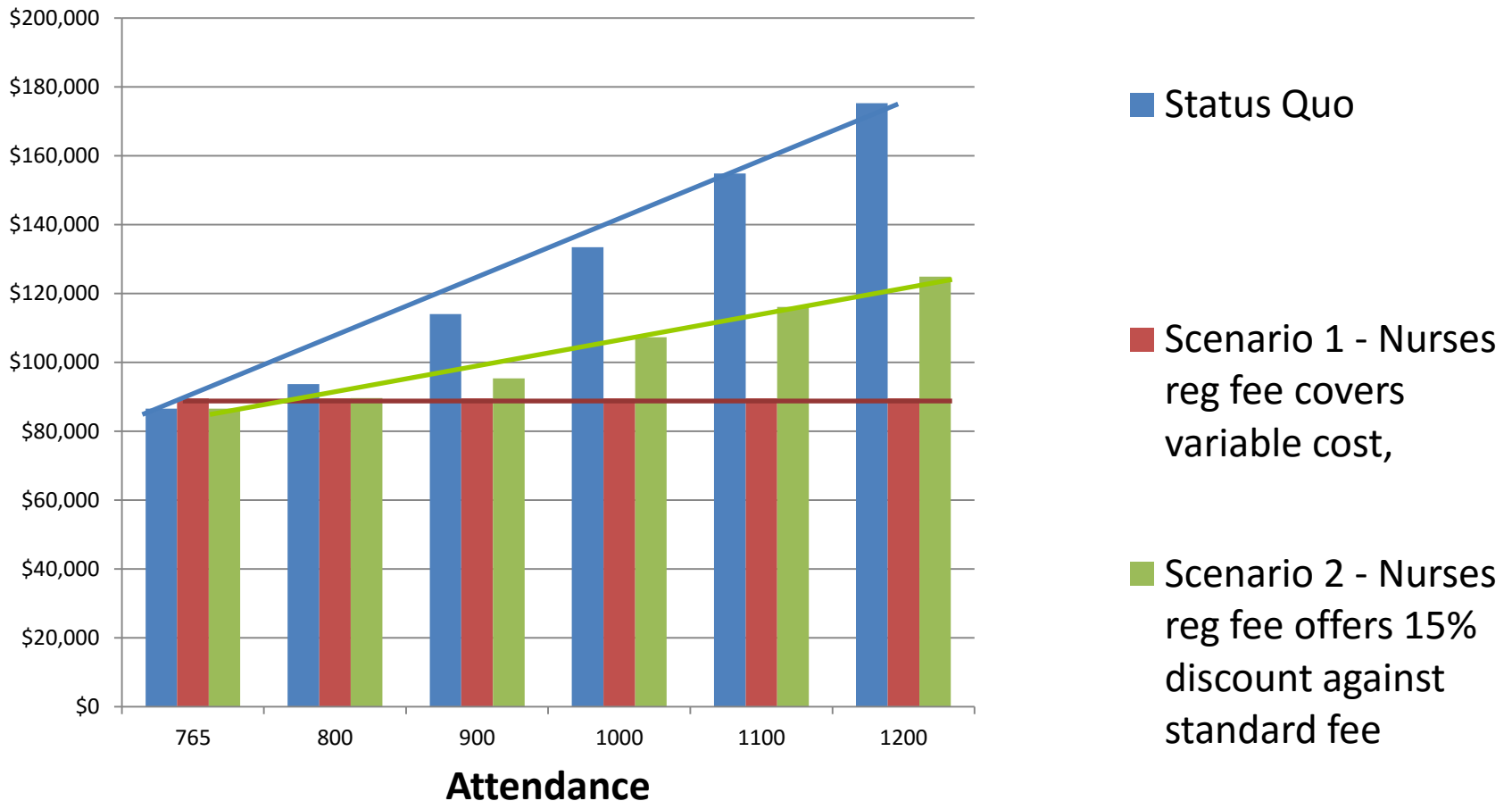
Accurate timing is everything



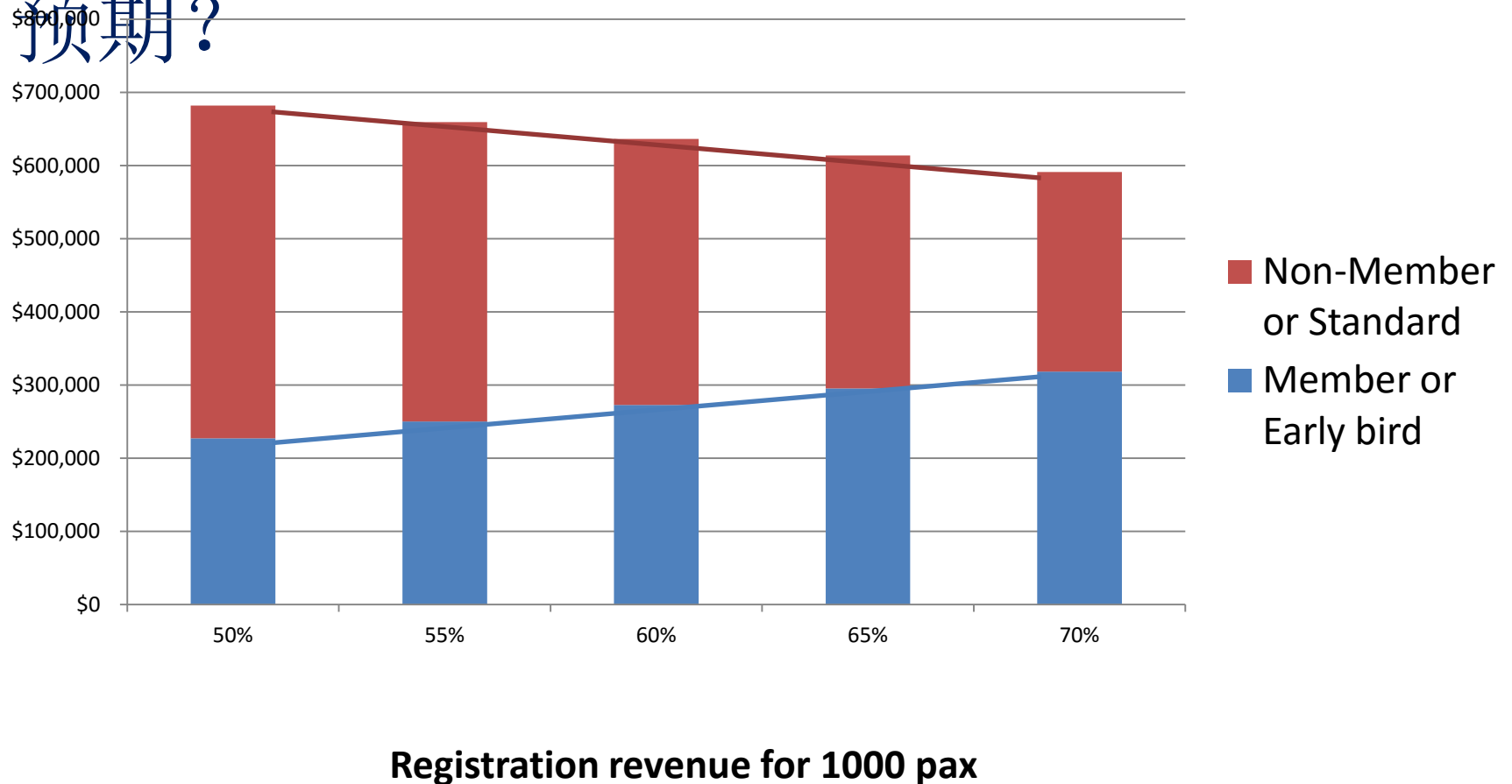
Using Information 使用信息



What will be the impact on profit from changing registration fees? 变更注册费会对利润产生什么影响?



What happens to profit if the number of member registrations or earlybirds is higher than expected? 盈利会怎样? - 如果会员注册数量或预售人数高于预期?



Financial management service 财务管理服务

- ▶ context
- ▶ **skills**
- ▶ process
- ▶ tools
- ▶ monitoring



Financial management service 财务管理服务

- ▶ context
- ▶ skills
- ▶ process
- ▶ **tools**
- ▶ monitoring



Financial management service 财务管理服务

- ▶ context
- ▶ skills
- ▶ **process**
- ▶ tools
- ▶ monitoring





Consequences of poor budgeting and cashflow management

预算不足和现金流 管理不当的后果

Delegate experience
compromised

Suppliers not paid on time

Reputations tainted



The pitfalls 陷阱

Economic & tax jurisdiction
changes

Inexperienced staff

Client leadership
constraints





