

Presentation

on



Brief Introduction:

Bruno Meißner, Dipl.Kfm.

- President / CEO of MEISSNER EXPO GmbH, Hamburg, Germany
- Shareholder in MEISSNER+GARREIS GmbH&Co.KG
- President Elect in the Presidium / Board of Directors of IFES – International Federation of Exhibition and Event Services , Brussels, B
- President of FMA – Forum Messe und Ausstellung (trade fairs and exhibitions) within FAMAB – Association of Live Communication
- Owner MEISSNER EXPO CONSULT – Exhibition – Congress – Event
- Co-Author of the book: “Das ABC des Messeauftritts – Messen optimal planen und durchführen”.





Since 1999 MEISSNER EXPO is a servicepartner of Hamburg Messe und Congress GmbH für standbuild, system stands, partitioning walls, congress exhibitions and custom built stands.



Service Partner of Hamburg Messe und Congress

Pricing Strategies in Exhibit Design

Are cost+ strategies still good and relevant?

Should the cost of design IPR be a separate cost?

What could be the models for royalties on design IPR reuse?



Pricing Strategies in Exhibit Design

Content:

- The Own Cost Structure
- Methods of Costing
- Ideas on New Pricing Strategies
- Cost of Design IPR
- Cost of Concepts and Design in Pitches
- Royalties on Design IPR Re-Use
- Conclusions

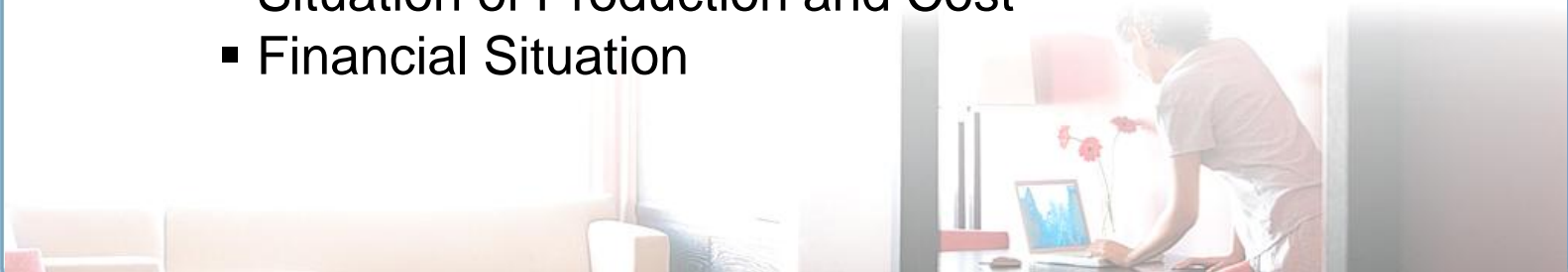
Criteria for Pricing Policy

A. The Market

- Definition of Markets
- Structure of Markets
- Organization of Markets and Forms of Pricing policies
- Function of Offer and Demand

B. The Company

- Situation of Production and Cost
- Financial Situation



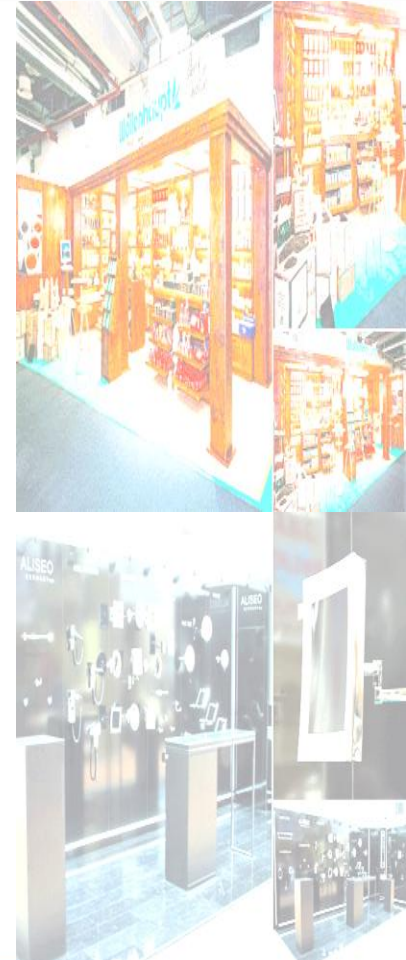
Effective Pricing Strategy is based on:

- The Own Cost Structure
- Available Market Data
- Customer Expectations
- Competition Information



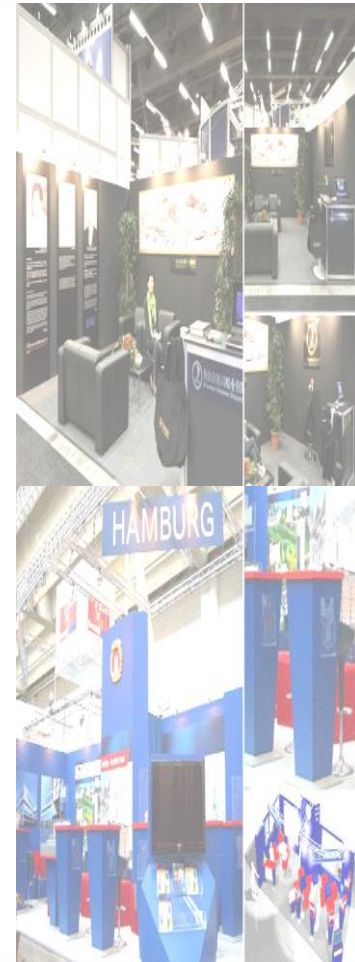
Elements of Cost:

- Material
 - Direct Material
 - Indirect Material
- Labour
 - Direct Labour
 - Indirect Labour
- Overhead
 - Production / Works O/H
 - Administration O/H
 - Selling O/H
 - Distribution O/H



Classification of Cost:

- By Nature or Element:
 - Materials, Labour, O/H
- By Functions:
 - Production, Selling, Distribution, Administration, R&D
- As Direct and Indirect
- By Variability:
 - Fixed, Variable, Semi-Variable
- By Controllability:
 - Contrrollable, Uncontrollable
- By Normality:
 - Normal, Abnormal



The Own Cost Structure

MEISSNER EXPO

Pricing Strategies in Exhibit Design

The reliable partner for your perfect presentation

Your own Cost Basis?



Your Working Hours p.a.?

Annual Working Hours		daily working hours	hours p.a.
Days p.a.	365		
Sun./Sat.	-104		
Public holidays	-11		
Workdays	250		
Holidays	-29		
paid absence	-1		
Illness	-5		
Working days	215	8	1720
unproductive h		15%	-258
Productive hours p.a.			1462

Your Hourly Rates?



Job	Salary p. mth.	Gross Salary p.a. plus Soc.Cost	hourly rate	Asset Cost per job	Depreciation p.a. 3 - 6 years	Depreciation per hour	Total hourly rate
Designer	€ 4.500,00	€ 65.340,00	€ 44,69	€ 20.000,00	€ 3.200,00	€ 2,19	€ 47
Drawer	€ 2.600,00	€ 37.752,00	€ 25,82	€ 15.000,00	€ 2.400,00	€ 1,64	€ 27
Decorator	€ 2.600,00	€ 37.752,00	€ 25,82	€ 5.000,00	€ 800,00	€ 0,55	€ 26
Installer	€ 2.400,00	€ 34.848,00	€ 23,84	€ 4.000,00	€ 640,00	€ 0,44	€ 24
Driver	€ 2.400,00	€ 34.848,00	€ 23,84	€ 30.000,00	€ 4.800,00	€ 3,28	€ 27
Painter	€ 2.600,00	€ 37.752,00	€ 25,82	€ 5.000,00	€ 800,00	€ 0,55	€ 26
Cabinetmaker	€ 3.500,00	€ 50.820,00	€ 34,76	€ 45.000,00	€ 7.200,00	€ 4,92	€ 40
Carpenter	€ 2.600,00	€ 37.752,00	€ 25,82	€ 45.000,00	€ 7.200,00	€ 4,92	€ 31
Storemanager	€ 2.600,00	€ 37.752,00	€ 25,82	€ 20.000,00	€ 3.200,00	€ 2,19	€ 28
Projectdirector	€ 5.000,00	€ 72.600,00	€ 49,66	€ 20.000,00	€ 3.200,00	€ 2,19	€ 52
Projectmanager	€ 4.000,00	€ 58.080,00	€ 39,73	€ 10.000,00	€ 1.600,00	€ 1,09	€ 41
Projectassistant	€ 2.200,00	€ 31.944,00	€ 21,85	€ 10.000,00	€ 1.600,00	€ 1,09	€ 23



Competitive Information

Benchmarking 2008/09 – Content:

- Structure of Participating Companies
- Structure of Industry
- Main Management Data of Participants
- Structure and Cost-Structure of Staff
- Assessment and Evaluation
of Economical Situation of Participating Company
- Methodical Procedure



KARIN SCHERNUS

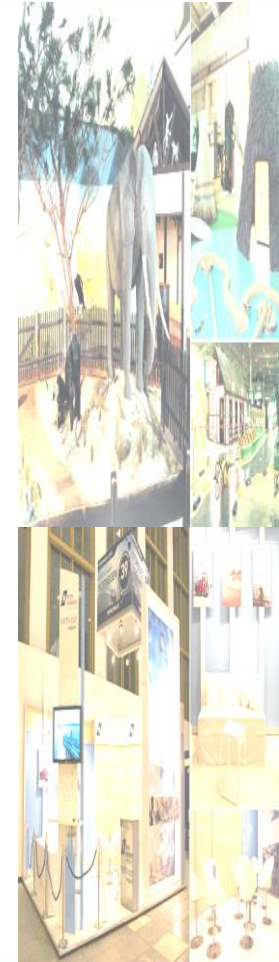
Tax Adviser and Chartered Accountant

Various Methods of Costing



Various Methods of Costing

- Job Costing
- Contract Costing
- Service (Operating) Costing
- Batch Costing
- Process Costing
- Operation Costing
- Multiple Costing
- Marginal Costing



Marginal Costing

Revenue per Contract
- Variable Cost per Contract

Contribution per Contract



Total Contribution all Contracts
- Total Fixed Cost

Total Profit / Loss

Internal Cost

Market Input

Competition

Customer Willingness to pay a Price

Profitability

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graph LR; IC[Internal Cost] --> P[Profitability]; MI[Market Input] --> P; C[Competition] --> P; CW[Customer Willingness to pay a Price] --> P;
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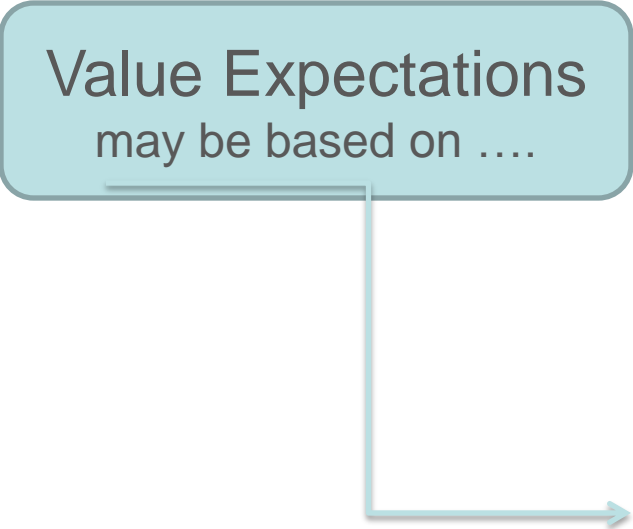
Ideas on
New Pricing Strategies
in the Exhibition Industry

are based on

- ❖ Value Expectations
- ❖ Quality Perception



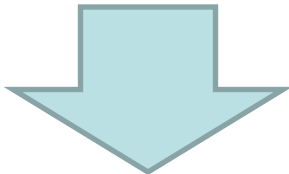
Value Expectations
may be based on



- ✓ More Sales Leads
- ✓ Additional Turnover
- ✓ Better Quality Contacts
- ✓ Improved Image
- ✓ Better Brand Identity
- ✓ Increased market Share
- ✓ Decreased Exhibition Cost
- ✓ Guaranteed Maximum Price
- ✓ Improved Stand Team Satisfaction
- ✓ Higher Visitor Satisfaction
- ✓

Pricing Model

Accounting
Strategy

- 
- Straight Sales Price + I+D-Service + Logistics
 - Rental of Standsystem + Modular, Furniture, etc.
 - Leasing of Hardware + Service Cost
 - Lease and Sale



Design IPR?

- Copyright
- Unregistered Design Right
- Registered Design Right



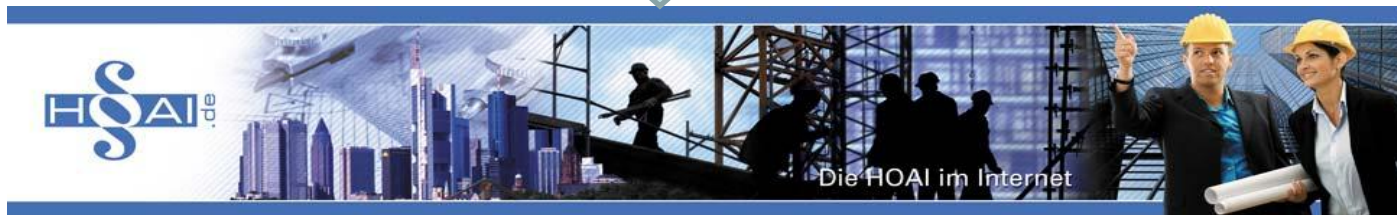
Design IPR and Presentation Remuneration?

- What should I charge?
- Am I charging enough?
- I am worried that clients think it's too much!
- I fear every financial conversation with a prospect!



FMA / FAMAB Remuneration Guidelines

- What should I charge?
- Am I charging enough?
- I am worried that clients think it's too much!
- I fear every financial conversation with a prospect!



Remuneration Act for Architects and Engineers (State Law of Germany)



Pricing Strategies in Exhibit Design

The reliable partner for your perfect presentation

Anrechenbare Kosten in Euro	Honorarzone I		Honorarzone II		Honorarzone III		Honorarzone IV		Honorarzone V	
	von	bis	von	bis	von	bis	von	bis	von	bis
	Euro		Euro		Euro		Euro		Euro	
25.565	1.984	2.413	2.413	2.991	2.991	3.855	3.855	4.433	4.433	4.862
30.000	2.325	2.826	2.826	3.497	3.497	4.498	4.498	5.169	5.169	5.670
35.000	2.719	3.299	3.299	4.075	4.075	5.236	5.236	6.012	6.012	6.593
40.000	3.101	3.762	3.762	4.647	4.647	5.968	5.968	6.853	6.853	7.513
45.000	3.494	4.234	4.234	5.221	5.221	6.702	6.702	7.689	7.689	8.429
50.000	3.881	4.697	4.697	5.780	5.780	7.413	7.413	8.496	8.496	9.312
100.000	7.755	9.278	9.278	11.311	11.311	14.360	14.360	16.393	16.393	17.916
150.000	11.635	13.753	13.753	16.578	16.578	20.818	20.818	23.644	23.644	25.761
200.000	15.510	18.115	18.115	21.586	21.586	26.792	26.792	30.263	30.263	32.868
250.000	19.385	22.384	22.384	26.380	26.380	32.373	32.373	36.369	36.369	39.368
300.000	22.484	25.983	25.983	30.650	30.650	37.643	37.643	42.309	42.309	45.808
350.000	25.060	29.131	29.131	34.561	34.561	42.700	42.700	48.131	48.131	52.201

FMA / FAMAB Recommendations for Presentation Remunerations

- Small Presentations: 500 – 850 €
- Medium Presentations: 1.200 – 2.500 €
- Larger Presentations: 2.800 – 7.500 €
- Special + Additional Services: additional charge
- Hourly Rates for Additional Services:
 - CAD-Design: 65 – 120 €
 - Draft: 40 – 80 €

Royalties on Design IPR?

Linked to:

- Profits
- Gross Sales
- Sales above certain Thresholds
- Net Receipts

Based on:

Fixed Scale
Sliding Scale
Guaranteed Minimum
Cap

Good success
and
best of luck
for your creative new
pricing strategies!



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5. Concluding Remarks

Join us in



IFES

sharing knowledge



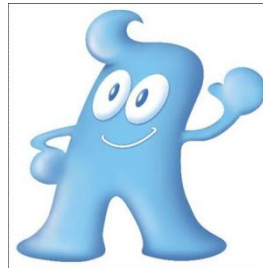
www.ifesnet.com



Join us for EXPO 2010 in Shanghai:



IFES AGM in Shanghai



- Meet us and see for yourself the value in our network!

Join us at the IFES Annual General Meeting

20-26 June 2010- Shanghai

Join us at Euroshop

26 February – 3 March 2011 – Dusseldorf

INTERNATIONAL FEDERATION OF EXHIBITION AND EVENT SERVICES



sharing knowledge

- Sharing Knowledge
- Global Networking
- Better Business
- Global Experience
- Local Relationship
- International Communication
- Intercultural Competence



IFES VALUE PROPOSITION

IFES helps its members to better serve their clients who exhibit internationally.

IFES has 3 main focus areas:

- Representing the International Exhibition & Event Service industry
- Providing and maintaining a communication network
- Supporting a business development network on Expopedia.net

Why does IFES concern you?

- Help your clients to work in regions like Europe and America?
 - Languages, cultural requirements and regulations?
 - Do you have clients who want to exhibit in Europe or the US?
 - Do you need to find trusted partners?
 - Are you seeking companies from new regions?
 - How can you benefit?
 - The IFES network will help to identify and grow new business opportunities!
-
- **Play a leading role in the development and representation of the global Exhibition and Event Service Industry**

What can you be involved in?

- Do you have an interest in technical questions such as the global conformity of electrical equipment?
- Do you want to be part of the Exchange of ideas and experiences concerning local and national rules & regulations?
- Do you want to help shape the role of Education in our industry and work with both peers and future leaders?
- Do you have ideas on how IFES fits into the global network of exhibition industry associations?

Get involved!

IFES members will be able to join working groups and committees.

Get involved!

These groups will all have two objectives:

1. To improve the performance and value of the organization
2. To address key issues
and to represent the interests of the Exhibition & Event industry

The initial groups have already been defined:

- Planning and strategy
- Membership
- Marketing & Business Development
- National Associations
- Health & Safety and Regulations
- Education
- Environment & Sustainability
- Statistics

° **The IFES Partner Forum**

IFES maintains active groups on Linked In where all our members can share privileged information amongst our trusted partner network.

° **Expopedia.net**

This is the global, publically accessible search engine where anyone (exhibitor, stand builder, designer) can find a local supplier for specific service in a specific location
By registering in this portal, you can be found as a local supplier and promote your main activities in the locations where you specialise.

IFES AGM in Shanghai

IFES gives you the opportunity to meet each other
and enjoy all the benefits of these face to face contacts
that are the
unique and essential
quality of our profession.