

Individual commentary on Budget document

By Stephanie Stroker

The budget was also one of my tasks to complete, but since it was going to take so much time to do research and find out how much the different items would actually cost (and how much revenue we would make), my colleague Callum Watts stepped in and helped me a lot with this task. We tried to be as accurate as possible, but some of the information might not be entirely correct either because we could not find any information online about it, because it depends on how the festival actually goes or because we do not know certain details yet to establish a correct price.

The music acts that we booked are by far our biggest expenditure for this festival (for details on who these artists are, please see Catarina Pereira's Event and Safety Management Plan), and we are still negotiating with some artists that are yet to be confirmed for the line-up.

I went back to my notes from Natalie Smith's class on event budgeting to get an idea on how to structure this festival's budget, and I looked for example budget documents from other festivals online. It was hard to find exact information on how much everything costs in real life, since I could not find real budgets that were similar to Lakewave Festival's size. Despite this lack of information I could take bits and pieces from the lecture and fill in the rest by looking up different toilet, shower and fencing rental websites. During Natalie's class she mentioned that food vouchers for staff members were roughly worth £5 and that they were entitled to receive three of those each day (so the cost of food vouchers was calculated assuming that every staff member uses up all of their food vouchers, not taking into account if they bring in their own food). Instead of calculating the artist fees for each artist, we estimated a budget for each type of stage where we can be flexible depending on which artist we negotiate with, maybe ending up paying two artists (who perform on the same stage) different fees. Once this festival moves forward and we start spending money, we will add another column to this budget for "actual spend" and continuously update it. We also included some of the income streams that Natalie discussed in class for our festival, such as the bars, different trader pitches (food, non-alcoholic drinks, bikes and water sports, lockers, charging points and more), car park, shuttle buses from the Oakham train station to the festival, sponsorships and VIP camping. (Smith, 2019)

We decided to divide our festival tickets into three different categories:

1. Normal tickets with camping space included, at £179.95 (even though it is a new festival, there are many well-known artists included in the line-up which justifies this price)
2. Normal tickets without camping space, at £ 149.95 (for people who prefer finding accommodation somewhere else, in hostals or hotels for example)
3. VIP tickets at £259.95 that include an already set up tent with camping equipment, from our sponsor Berghaus (people can keep the equipment after the festival and

take it home. Any leftover tents or equipment will be donated to refugee camps after the festival)

Since this is our first festival, we will need to heavily rely on money coming from external sources, specifically sponsorships. The reasoning behind choosing our sponsors is further explained in the Branding document that I wrote. Although we have agreements with almost all of our sponsors already, we are still negotiating with our general festival sponsor, and we are taking our time for this one because we want the perfect match for our festival, a brand that will fit in with our audience and artists. The reason why we are releasing a thousand pre-sale tickets is to collect at least some of the income to be able to start paying staff members, artists and other businesses on time. There are always people who like getting a ticket months before the festival at a cheaper price, even if they do not know the complete line-up yet, and this helps us festival organisers to start paying off some of our costs. (Smith, 2019)

Our total estimated costs are £1.361.990 and the total estimated revenue is £1.424.900. As shown in Catarina Pereira's Marketing Plan, Lakewave's net income will be £62.910, our gross profit 4% and our net profit 2,8% after taxes. Even though we will not really make a big profit during the first year, we are focusing more on how we could grow in the long term, perfecting our marketing strategies, establishing new contacts and relationships with different companies within the festival industry and collaborating with new sponsors that we resonate with as a festival. As our festival grows, we will be able to reduce many of our costs and slowly start to increase our profit over the years, once its popularity increases.

To view the original document in excel and to see some of the actual calculations, please click here:

<https://docs.google.com/spreadsheets/d/1cq5ggzXz3iXtn9s1ef39mvCETQYtzPBJ10B5eddhWoY/edit?usp=sharing>

References:

Smith, N. (2019). *Sustainability, budgeting, marketing and branding. Live music and event management (lecture)*. London: Tileyard Education.