



The Institute of Outdoor Theatre

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Special Events and Catering

Revenues from special events can be an important source of funding for an organization that has built a distinctive and appealing facility designed to accommodate and entertain large numbers of people. If managed correctly this can generate substantial profits while at the same time it promotes and popularizes the facility.

To maximize the profitability of a special events program, the design of the facility should ideally consider special events as an integral part of the architectural program. Specific spaces need to be identified that will be suitable for four types of events, either singly or in combination:

1. Meetings
2. Weddings, Bar Mitzvah's, etc.
3. Standing Receptions
4. Seated Meals

The capacity of each space for each type of event should be calculated, and the ability to service the space should be designed into the facility, much as it is in a hotel design. If a new facility is being planned, the servicing requirements include:

- A loading/receiving area where tables, chairs, food and beverage, hot and cold carts and other equipment can be offloaded from delivery trucks.
- Storage space for all above materials where they can stay until used. This should include refrigerated space and ample racks for storage. The FF&E for the building should include rolling carts to move supplies that will move freely through the corridor spaces (and around the corners) of the facility and fit into the elevators. The storage space should be secured and have a separately keyed storage area for alcoholic beverages.
- Unless the facility has been designed to accommodate large banquets, a fully equipped preparation kitchen is not necessary. But there should be a catering prep kitchen where caterers can organize their service, plug in their heated carts, wash things and prepare their food and beverage to be transported to the plating area (see next).
- An area in or adjacent to each event space where the wait staff can plate the food and prepare the trays, and where used platters, glasses, etc. can be taken when removed. This space should be out of the sight of the guests at the event.
- A place in the facility where the service staff can change into their uniforms and securely store their personal possessions.

If an existing facility is being adapted for special events, the above components should be incorporated to the extent possible.

A significant rental program will need at least one person to manage the it, a Special Events Coordinator. The duties of the Coordinator include marketing the spaces to potential customers (including wedding and meeting planners), developing and managing all event contracts, negotiating with caterers and equipment rental companies, and on site supervision of each scheduled event. Depending on the volume of event sales, an assistant coordinator may be required or need to be added in the future.

To maximize the profitability of special events, each of three revenue sources need to be leveraged:

1. Facility Rental Fees - This is a space rental fee charged by the facility. Fees are generally set after studying comparable fee levels currently being charged by other event venues in the marketplace. Note that hotels may not have a space rental fee since that is built into their cost structure in other ways. It is a common practice to have a corporate/private rate which is higher than a non-profit rate. After they are determined, the rates should be published, but management should consider them as “rack rates” and be prepared to negotiate them as needed when working to get a contract. In addition to this type of rental, a separate fee and conditions should be established for photo shoots using the facility. Many theatres are quite unique, and commercial shoots can earn substantial revenues.
2. Catering Fees - It is a good practice to select two or three caterers as the “preferred” caterers of the facility. The selection process involves a combination of interviews and assessment of the local reputation of potential companies. Generally speaking, one of the caterers should be “high end” in terms of quality and pricing, one should be moderate and one suitable for quick lunches and small inexpensive receptions. These preferred caterers will be the only ones suggested by the facility and the negotiations with them should include the identification of the percentage of their business they will pay to the facility as their catering fee. It is commonly 10% of their contract with the customer and 15% of the alcoholic beverage service. Preferred catering contracts should be limited to only one, or at most, two years. If the service has been satisfactory, they can be renewed. Caterers who are not on the preferred list may be permitted to work in the facility under two conditions: that they meet the standards of the Special Events Coordinator and that they pay a fee of 10% in addition to the fees paid by the preferred caterers.

If there is a nearby hotel, that hotel may either want the catering business that the facility would give to an outside caterer, or they may lobby against special events happening at all because they want that business for the hotel. ASC should not agree to forego special events altogether; it is too important a source of both revenue and “buzz” in the community. It may decide to accept a hotel as its sole caterer, but it should only do so after it has compared the quality of service and fees it is likely to receive from the hotel with those it could realize from others. And it should still have a time limit to the contract to ensure that the quality of service remains high.

3. Equipment Rental Fees - One company should be selected and contracted to be the facilities events rental company. This company provides tables, chairs, linens, plates, glasses, utensils and, if needed, tents. All facility event customers will be required to use this rental company that will be responsible for delivering and setting up the equipment in the event space. It is also responsible for packing up and removing the equipment after the event. The contract with this company should also provide that it will pay the facility the fee of 10% of its rental bill to the customer. This contract should also be for one year and renewable upon satisfaction. It is a good idea to select this company after

consultations with the preferred caterers who will know which is the most reliable and efficient in the region.

In addition to these vendors, the Special Events Coordinator will also want to develop relationships with local florists, musicians, event lighting companies (if the equipment rental company does not do lights), and special display companies (for scenic elements that may be required, for instance, by weddings). It is not common business practice to take percentages from these vendors, but it is important to negotiate good rates with them for the benefit of the end user customers.

A performing arts facility cannot and need not compete with a hotel or catering hall in its pricing. Special events are a secondary mission at best, and the availability of event space is limited because of the performance and rehearsal needs of the facility. Customers who want to hold events in a performing arts space are attracted by the completely unique nature of the space that hotels and catering halls cannot offer, and they are willing to pay for it. In particular, people wishing to plan a special event or wedding are intrigued by the possibilities of combining different spaces in a progressive event (for example: event in the theatre, reception on the grounds, after party backstage.) Although events are not the primary business, the facility should make its best efforts to schedule intelligently and as far in advance as possible in order to maximize the possibility for events. There will be occasions in which a very large and profitable event will need a commitment before the theatre knows what all of its space needs will be. This is often the case with weddings. In these situations, management will have to weigh the financial attractiveness of the event against its potential needs for the space.