

Tendering for events

One of the biggest problems faced by event caterers over the years has been the rises in pitch fees for events. This is usually due to tendering processes which, if not thought out properly tend to favour the organiser and push up costs for caterers, often to a level that can make it difficult to turn a profit.

On this page we'll take you through NCASS's golden rules for tendering for catering pitches at events. Give yourself the best chance of turning a decent profit and read on.

1. Understand the game

Event organisers need to make a profit and so do you. It is up to you, the trader, to work out what a fair price to pay for your work which will give you the opportunity to make a profit.

If you pay more than the fair price, you are risking your money and you only have yourself to blame. If you lose out on a job because you did not offer more than the event was worth, then you have avoided disaster. Don't worry, you haven't "lost a job". Now some other poor trader will have to work their socks off in the hope of breaking even, not you.

2. Do your research

You cannot even begin to think about tendering for an event if you don't know all the facts. What will you base your tender on? Just because an event organiser tells you what he wants for the pitch it doesn't mean it is worth that money, or that risk, to you. Make sure you get all of the information that you can in order to make an informed decision. The three key pieces of information here are:

1. How many punters are expected at the event?

Bear in mind that event organisers tend to be optimists when it comes to attendances, and a good rule of thumb is to simply halve the figures mentioned.

Often a phone call to the local licensing office will give you a far more accurate figure on past attendances and what to expect at the show. Just because a venue is licensed to hold 10,000 people, doesn't mean that many will turn up. How many events actually sell out?

2. How many traders will be at the event and what are they selling?

This will directly affect your potential to make a profit and the amount you offer as a tender. Imagine this: 5,000 people are due to attend the event and the organiser tells you there will be 10 units selling hot food. Your share of the potential trade will be 500 customers (depending on what you are selling and the type of event). If the same event only has five hot food units, your potential revenue doubles.

If you do not know how much competition you will have on the day then how can you make an informed decision on the tender?

3. How many people will spend money on food?

What will they spend and where will they spend it? If you do not understand the audience you will struggle to turn a profit and may end up at shows or events where you have no chance of making money. Experienced caterers will get a feel for an event and will be able to make a decision on instinct as to whether there is potential for them. However, newer traders will have to be as scientific about it as possible to understand what their potential to make money is.

A good place to start is to ask yourself what type of event it is and work out how many times over the course of the event are people likely to buy food from one of the hot food vendors. For multi-day music festivals the traders often have an audience who in one place with limited alternatives. On the other side of the coin, the audience of an evening concert in a town centre have the option of either eating at home or at an alternative food outlet before or after the event.

You should also bear in mind that different demographics of people are likely to have different spending patterns. This will quickly become apparent when you get to the show, but by then it is often too late. You need to understand what type of people will be going to the show, if they will want to buy your food and how much they will buy.



3. Don't gamble what you can't afford

If you can't afford to lose the money, then you can't afford to do the show.

If you can't afford to buy stock for your second event until you have made a profit at the first, then you are gambling at a level beyond your means and could find yourself out of business after only a couple of shows.

Just because the stakes are higher, it does not necessarily mean the rewards are. Don't forget, if you are the only trader at an all day horse show with a thousand people at it, you are likely to make more money than a trader at an 80,000 capacity event with 100 traders.

4. Do the sums

There is no point in working at an event, show or market if you are not going to make any money.

For all of that hard work, planning, stocking, staffing, driving, setting up, working your socks off, then breaking down and getting home, you want to make some money. It is therefore essential that you work out whether the event is for you – before you tender. Some simple sums can help you to get an idea of whether you can make money, and whether it's worth tendering, let alone working at the event.

We have put together a general guideline as to how many people attending an event are likely to spend on food. Please be aware that this is a guideline not a guarantee, and your experiences may well lead you to make different assumptions on spending.

A reasonable guideline for spending at events is:

Outdoor music events: 75 – 85%

Local fêtes and carnivals: 35 – 45%

Bonfire Night: 35 – 40%

Fireworks and music events: 25 – 30%

Part 1: The optimistic version

Using the above guidelines for our example event, we will look at a 20,000 capacity sell out 1 day show. For the sake of this example we will use an average spend of £6 for those who buy.

20,000 visitors, of whom half are likely to buy food throughout the day, gives us 10,000 potential meals sold at the event.

Working on the premise that these 10,000 customers will spend £6 each this gives us a total event spend of £60,000.

We have spoken to the organiser who has confirmed that there will be 5 general purpose units and 10 special purpose. General purpose (GP) is the name given to traditional fast food or burger units, while special purpose refers to more specialist niche products, like Caribbean or paella.

In event catering, GP traders tend to take the lion's share of the business. This is

dependent on the event and area of the country, however, burgers are still the most popular food at events. GP units generally take around 60% of the business. They also pay more in pitch fees for the privilege.

So, total spend with the GP units will be 60% of £60,000 or £36,000. This works out at £7,200 per GP unit in potential sales. Similarly, the special purpose units will share £24,000 between 10 of them, or £2,400 each.

This is one way to work out your potential to earn money, we would always suggest that in terms of rent, you should be looking to pay between 10-25% of your potential takings on rent, obviously the lower the better. Any more than 25% and you will struggle to turn a profit.

Part 2: The pragmatist's version

This approach is based on your ability to turn out food when you need to, and requires you to honestly work out how much food you can actually turn out in a day. You then base your tender on the average spend, multiplied by your capacity to deliver. For example, if realistically you can serve 500 portions per day, then your potential earnings would be 500 x £6 or £3000. In that case, offering between 10 – 25% of your potential earnings as your tender, you would look to be paying between £300 and £750 in rent.

5. Negotiate, negotiate, negotiate!

Don't be afraid to try to negotiate the rent, at least to get the fee on a percentage rather than flat rate basis.

We always advise traders to ask to pay a percentage rather than a set fee or a tender for the event. Doing this shares the risk between you and the organiser and, when arranged fairly, this approach can lead to higher revenues for both you and the organiser. If an organiser won't offer a percentage instead of a pitch fee you should be asking them why they are so confident that you will make so much money.



Equally, you are in a far better position to understand your ability to make a profit, so why not make this point to the organiser. If they want £500 but you believe it is only worth £200 then tell the organiser that. You may find that they'll drop the price if you make the point clearly.

They may be able to take £500 from five special purpose units to do the work but they may well have five sets of unhappy caterers at the end of the day who won't come back next year. Far better to make a bit less money and have lots of happy caterers who are keen to return (don't be afraid to point that out!).

6. Location matters. Always ask to see a site map.

Always ask to see a site map with the pitch you are tendering for clearly marked on it. Is it right in the beating heart of the event or hidden round the corner by the toilets? Are you in the arena or the campsite? If you are in the wrong location you might spend the whole event watching people walk past with food. Location is vital for all catering businesses and if you are going to get the worst pitch do you actually want to do the event? How will this affect what you are willing to pay?

7. Always get a contract.

It's nigh impossible to argue without a contract.

A common complaint about events is that what the organiser told the trader over the phone was very different to the reality when they got there. "He promised there would only be ten caterers and when we turned up there were 25!"

If you don't have a contract you have very limited comeback. If you have a contract stating that there will only be ten traders and 25 turn up, you can sue the organiser for misselling you the contract, and recoup your costs (and sometimes even your lost income).

Thing is, without a contract you don't have a leg to stand on and you won't get your money back. If an organiser refuses to put something in writing in a formal contract then alarm bells should be ringing!

8. Know when to walk away

Sometimes you've just got to do it.

You've researched the event, sweet talked the organiser and been offered a pitch right next to the main bar but the organiser won't offer you a contract confirming what you have agreed verbally. You want to make the money and, after all, you got into this game to work at events. It takes real courage to say "thanks but no thanks", but sometimes you've just got to do it.

Don't take risks you can't afford, and don't make decisions based on half of the information you need. Sometimes you've got to walk away and leave the risk to the next man. Yes, sometimes you may find out later that the other traders all did well and can't wait to go back. But you're more likely to hear that the guy who paid the money you wouldn't lost out and lost out big.

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