

Welcome to the Event Brew, where event professionals from different backgrounds talk about the latest, most controversial, and interesting topics dominating the minds of the industry right now. This is a candid conversation the likes of which can only otherwise be found late at night in host hotel lobby bars during industry conferences. So relax and drop in on what event pros really say when no one else is around. This show is brought to you by Endless Events, the Event AV company that tells you how it really is. Now, let's brew something up.

Will Curran:

What is going on the brew crew? This is your man Will Curran from Endless Events.

Nick Borelli:

This is Nick Borelli from Borelli Strategies.

Thuy Diep:

And this is your lady Thuy Diep with PRA Business Events.

Will Curran:

And today we have an exciting topic. Before we dive into it though, let's talk a little bit about our brews and what's in our cups. Nick, what do you got going on in your cup today?

Nick Borelli:

Coffee number three.

Will Curran:

Like third cup of coffee or is that a brand?

Nick Borelli:

No, it's Classic Roast Folgers, the most generic dad coffee you can drink. Ounces, I want to say ... So like 20 ounces times three. So yeah, the last 20 ounces of a 60-

Will Curran:

So a gallon.

Nick Borelli:

Yeah. Ready to roll.

Will Curran:

Nick's going to be talking as fast as Will. Thuy, what do you got going on in your cup?

Thuy Diep:

Same old, same old. Just my organic Yogi green tea with some organic honey in it.

Will Curran:

Nice. And today I'm drinking a white coconut cream tea. I don't know if I've talked about this tea at all, got it from Art of Tea.

Thuy Diep:  
Yes, you have.

Will Curran:  
I have? Okay, cool.

Thuy Diep:  
Yes. And we make fun of you.

Will Curran:  
It's everyone's favorite tea. I'm currently brewing the last batch of it, so it will be gone and I'll have to order more soon. Well, thank you guys so much for being so transparent about what you guys are drinking in your cups today. What are we talking about today on the show? Should I just explain it?

Thuy Diep:  
No, I'll say it. Pricing transparency. And then you can explain it.

Will Curran:  
All right, well, I wanted to put my stake in the ground. We haven't talked about this fully in terms of pricing, but we did do an episode on transparency on event icons, which we will link into the show notes for you to check out. We talked generally about transparency and its need in the events industry. We wanted to specifically talk about and debate out pricing transparency. Especially in the AV world, I feel like we are the most ... I'm not saying we like as if I'm an offender, but the AV industry is one of the most notorious when it comes to poor pricing transparency, so I figured it would be good to do an episode on this. And I know we all have different opinions and thoughts when it comes to this. Or maybe we don't, who knows? I guess you'll have to listen to the episode and find out. So where are we at? Do you want to each state what our opinion is in one sentence when it comes to pricing transparency? Is that possible?

Nick Borelli:  
One sentence?

Will Curran:  
One sentence. So I would say-

Nick Borelli:  
I'm of the Aaron Kaufman School of pricing transparency. That's my sentence.

Will Curran:

What is that? Can you define that?

Thuy Diep:

What? What does that mean?

Nick Borelli:

I have to give a sentence that elicits more sentences. You know, like, I'll leave there, but I'm used to using subject lines that make you want to read more. I've done a number of presentations with my friend Aaron Kaufman. I've seen him speak all over the world. And one of the things he talks about a lot is pricing transparency, and he converted me to this, which is 100% open book transparency where you show every dime that you're spending with your suppliers and someone else could purchase their services at the same price. It's like there's straight pricing. If he gets any kind of discount or anything like that, he lets them know in writing on every contract that that is a thing that could happen. It's his business between them and him, as far as if he gets any kind of discount over using them lots of times. But ultimately the prices are no different listed than what someone else could purchase them from.

Will Curran:

And so therefore they can do the backwards math and know how much money he's making then too as well.

Nick Borelli:

Yeah, for sure. Yep. Less the discount for that. And what that means is that he is like everyone else in the business world. He is charging for his expertise and his time and he's transparently doing that like an interior designer would do when designing a room. He's doing the same thing with designing a room for an event.

Thuy Diep:

This is going to get juicy then.

Will Curran:

All right, Thuy, I know you-

Nick Borelli:

Oh by the way, so in those presentations, he's had people walk out of the room and yell at him.

Will Curran:

Oh interesting.

Thuy Diep:

Oh, also no surprise there.

Nick Borelli:

Yep. It's a stance.

Will Curran:

Don't people just yell at Aaron, even if they just look at him period?

Nick Borelli:

If he doesn't get that, he will work towards getting that. But I've seen him get it just because it's such a black and white hard line stance and he'll go so far as to say anything short of that is stealing. And that's where I get to play good cop and eat popcorn.

Will Curran:

Interesting. Thuy, I know you got a different opinion.

Thuy Diep:

Yes, it's not that I'm anti-transparency, but I'm pro partner with my supplier partners. And I'm wanting to protect our working relationship. And so, I'm going to go into different models in which you do show your pricing, whether that's component pricing, cost plus margin. And I'm also going to discuss why in certain categories, I do not share to the client the rates that our supplier partners give us for constantly working with them. I'll give them retail rate, but there is this ... And I've lost business before, just the team standing up for not sharing the rates that certain suppliers would give us. But there are options that I'm working on them right now where when it comes to like, let's say restaurants, we will give you just the straight rates, because we're only just doing a reservation fee and we're going to pass you on directly. So yeah, I'm like, mostly I'm not, but there's certain scenarios where I will.

Will Curran:

Interesting.

Nick Borelli:

Will?

Will Curran:

I'm probably a little bit a hybrid of both. So in cases where clients are asking me to do something that might be outside like our normal wheelhouse, I might tell them, "Look, I'll do this for you and take care of it and manage it for you, but I'm going to put a markup on it. And just so you know" ... I don't maybe tell them the exact number, but I also make sure that they know that, look, you're probably going to be paying a little bit more, but you're paying for that kind of ease of comfort and whatnot. And then in the AV industry, it's really interesting because the industry sub rents like crazy. Everyone rents gear from each other. And I think the AV industry loves to just act like oh yeah, this is the price, this is the lowest price you'll ever have and things like that. But then sometimes what also happens is you sell one thinking and then you don't realize you're going to have another event on the same time and then, oh, man, we need to increase the price

of this. And I've seen a lot of like, oh, hey, we have to charge more for this other item and sneak this price in to cover the cost of another one.

Will Curran:

And I think it's also just because in the AV industry, everyone wants to kind of commoditize everything in some ways too. Where if they see the price of a projector go up by 100 bucks, they're going to be like, "Why did it go up 100 bucks?" You'd just be like, "It just got more expensive." You know what I mean? Time has passed or whatever it may be. And we'll talk about pricing going up after the event at some point. What's interesting is that you guys almost bring up almost like a whole part of the pricing debate, which is the cost sharing debate. I was almost thinking about this in a way too that, how much of our industry also doesn't tell people what to expect when it comes to price until everything's been quoted out, right? Like we always say, well, you need to get a quote, you need to quote everything out. But how many times do you know that you've called a supplier and they will straight up say, "What's your budget? No, we're not a good fit. You need to spend at least \$40,000 with us to do that sort of thing."

Nick Borelli:

That should happen more.

Will Curran:

Way more.

Thuy Diep:

Yeah, I get that. I get that often. Not often, but because at the end of day, people want to make the sale, but there's been opportunities where I bid it out and people have said thank you, but due to either turnaround or budget or not being able to source those things or not having it in their warehouse, we're going to decline the bid. And I actually respect that.

Nick Borelli:

I respect that so much.

Will Curran:

Nice.

Nick Borelli:

I wish there was a lot more of, yeah, "We're over booked for that period of time. We still want to be your partner." I see a lot of people who don't believe that their partnerships are strong enough to be able to be transparent with the people that are their clients, internally within the events. Like the people that are sub hiring them. They feel like if they don't say yes to everything of that person and try to figure out and make it happen and then put undue stress, that for some reason that they'll just go to someone else. Like, yes, they will use someone else because they need to in that instance, but like the idea that they would use somebody else forever with one

opportunity like that, I think most planners are smarter than that. I think they would value the honesty over ... And not give up the relationship.

Will Curran:

Yeah. I definitely think that people are always worried that oh, hey, we're going to lose it by being transparent. But in reality, I think sometimes it builds an even deeper level of trust and I would definitely agree. So my question is, is there considered ... There's a question I think that we have in our notes that I think is worth asking. Like, when is it considered lying when it comes to your pricing? What's the threshold? Because you hide your markup. Obviously, Aaron Kaufman believes that it's considered lying and cheating if you're not sharing everything to them.

Nick Borelli:

It's hard line. It's like the most hard line that I've come across. And I'm generally, in most things, I believe in the gray. And that one, it took years but he converted me to it, because I was just like, yeah, you know what ... The part that resonated the most with me is the fact that he is standing up for the work that he does. Basically the transparency is with the client. This is how I make money. It's not the markup. I make money by being paid the work that I do, which is a creative work, which should be assigned a dollar amount. And that's I think the real hard line for me is the fact that too many of us, we emphasize the commodities of what we do as being where the most amount of dollar value is assigned to it, in some kind of vague way. And not enough on all the intangibles that we do. And I am in the world where exclusively what I offer events is intangible services. So when someone is advocating for the prices of intangibility being basically assigned dollar values, then you have my attention.

Thuy Diep:

So, that's a cost plus model. And that's what Aaron's doing and what you believe in is the straight cost. That's like if a client were to say, I want to audit and I want to see your invoices from your supplier partners through your vendors-

Nick Borelli:

They'd be like no problem.

Thuy Diep:

Then he's able to say, okay, here you go. So just for the audience to know that's a cost plus model. And on my end, I'll do a cost plus model, but I'll give them the retail rate. I will never give them the rates in which we PRA use when we're constantly doing business and they give us a special AV rate.

Nick Borelli:

He does the same thing.

Thuy Diep:

Oh. Okay so we're kind of in agreement.

Nick Borelli:

Yeah, yeah. The prices-

Thuy Diep:

But then that wouldn't be fully transparent because then the client-

Nick Borelli:

It's the prices that any other person would be able to get off the street. If that client were directly to get those prices, that's what it would cost. And then the relationships that he has, because of being a bulk buyer, he states in there that there are ways that I potentially make more money because of discounts on these things because I'm a bulk purchaser. But if you were to skip me and skip the work that I do and just buy direct from these suppliers, this is what it would cost you.

Will Curran:

I think it's interesting. I don't know if I would ever share my vendor pricing but also at the same time though, my stuff's usually very highly technical. So if you know what gear to order and what specifically you need, how many cables, this and this and that, likely you probably know who all the suppliers are. You know how to source suppliers directly and you're probably just doing this on your own.

Nick Borelli:

That's planning not design. The design work he gets paid for. He gets paid for the legwork of the planning. So that's worth something as far as time. And obviously the bulk buying kind of pays for that. But yeah, it's murky when you say like transparent. I still think that's transparent, because it's not saying ... I don't know. It's not marking up the prices, right? It's just these are the prices, he happens to get discounts. Does that make sense?

Thuy Diep:

But would he share that too, whatever it is?

Nick Borelli:

He shares that he gets discounts. He doesn't share what the discounts are because those aren't relevant numbers to the clients, because the clients don't have the opportunity to have that.

Thuy Diep:

And that's the only model he'll go is cost plus?

Nick Borelli:

Correct.

Thuy Diep:  
Retail cost plus.

Nick Borelli:  
Mm-hmm (affirmative).

Thuy Diep:  
Okay, I'm in agreeance with that. When a client requests that I'll do that, but I'll never give them our rates.

Nick Borelli:  
Right. That's not relevant because that doesn't mean anything to them either, right? Like they could never get those. That's like between you and your bookkeeper, et cetera, and the relationships, et cetera. But I think that ultimately, that's still transparent because he's not marking up ... If a chair costs \$50, if the client were to buy it for \$50, and he were to say, chair \$60, then he feels like that's a lie, right? Like because the chair isn't \$60, the chair is \$50. But there's also a \$10 cost that he would put, let's say, for sourcing and design and-

Thuy Diep:  
The management fee.

Nick Borelli:  
Yeah. But the discipline of assigning dollar values to intangibles I think is really important, because it stands up for a lot of the majority of the work that we do as creatives.

Will Curran:  
Yeah. And I think it also gives people the opportunity to see everything that's going in. I think a lot of times I hate getting those simplified quotes in some ways where it's like, oh hey, this and this and that, but I'm doing all this pre-production work, I'd rather see a pre-production line and see it ... Honestly, I don't even care about itemized pricing. Maybe we can talk about itemized versus bottom line pricing. But I just want to see everything I'm getting and know what I'm getting ahead of time. And I think far too often we leave out pre-production which is like all the work we do ahead of time and design and everything like that. And it should say that this is part of it in my opinion.

Nick Borelli:  
Yeah. It-

Will Curran:  
Yeah, go ahead.

Nick Borelli:

Again, my thing is that you should get paid for the work that you actually do. And inflating the tangibles isn't what we do. We provide you the intangibles. If you want to see what that would cost you to do that, that's fine, here it is. But that's not what we do as designers, as planners, or even in a supplier world as creatives. For audio visual, more audio visual companies should assign a dollar value to the creative work that they do. The amount of time that they put in for the actual design work and creativity and all the other intangibles that are present. And if we all did that, we would find out that we would have unique selling propositions that would be a little bit stronger, you would understand why I do business with one versus another, and we would I think be standing up for really the differences between a bunch of people who just take prices and inflate them.

Nick Borelli:

Like the wedding industry. People don't take it seriously because there's so much of that happening rampantly that they're like ... Like a cake. You ever hear that famous thing where somebody comes in and asks for a birthday cake, they give them one price, if they ask for a wedding, they give another price? I actually believe that there is truth in that. What the wedding industry or maybe the wedding cake industry ... I don't know. I think it's rampant. I think it's in photography, it's in everywhere. Is that they're not educating their consumer, which is all be it difficult because they have an undereducated consumer, that the cake is the cake. You know, the cake for the birthday and the cake for this is \$10. Here's the intangibles associated with weddings that cost us more money internally or require more skill. And there's a line item for that. If people did that, then there wouldn't be the idea that the consumer's believe that they're being taken advantage of.

Will Curran:

I want to give you guys a topic that maybe we can debate out a little bit. So there's kind of this movement going on throughout I think all of sales and marketing world that consumers are now more and more educated than ever and they want to do more of the research on their own before they talk to a salesperson. So the whole idea is like, you need to give them more information upfront. So that way when they talk to the sales person, they aren't being sold, they're just buying. And that for example, look at the car industry. It used to be the gate keeper, to get the price on the car you had to go talk to a used car salesman, all these things like that. But now you have all these tools, you can look up everything about the car. You know the price and you go in and you say, this is the price I'm paying and move on. So we kind of are testing this out at Endless and I wanted to get what you guys think about this. About giving more information upfront. And one thing that we did is, it used to be I think like every company we had a request for a quote button at the top right to say click that, give us your information, talk to a sales person. They demo you-

Nick Borelli:

I'm looking at yours now. It's pretty clean.

Will Curran:

Thanks. And so we replaced it with a get pricing button. And especially Thuy, I want to know what you think of this. I haven't talked too much about this at all. We just kind of put it up and then we're just letting people kind of click on it and see if they use it. But essentially, we got this question that ... We had people that come in and ask for one gobo. Like, I just need a gobo. I saw you have a blog post on a gobo. Can you give us this. And we're like, look honestly, not worth it. Here, talk to a supplier directly. And then we have some people who are coming to us and they're like hey, I want to do Fyre Festival for \$10,000. And we're like, we can't do Fyre Festival for \$10,000. You know what I mean. Like a big festival.

Nick Borelli:  
Yeah.

Thuy Diep:  
Yeah.

Nick Borelli:  
If you said yes, you would be doing Fyre Festival.

Will Curran:  
Exactly, exactly.

Thuy Diep:  
Yes. I will.

Will Curran:  
So we created this page that kind of put like our minimums on here.

Nick Borelli:  
I like it.

Will Curran:  
It said look, if you want start a conversation you have to be at least willing to spend this. And then also answered a bunch of questions that people always asked like, when can you get me a quote? How does the quoting process work? Can you beat this vendor, I have this quote? And then I'll take even a further step is that, we also as the AV industry are so notorious for saying, you have to talk to a salesperson. We have to build out this quote. There's a lot of details that go into it. But a lot of times people ... We also get asked probably 25% of the time, "Hey, it's my first time doing this event. I just need rough numbers to start before we solidify this." And we waste a lot of time building out like initial quotes and things like that. And then they go, "Oh, you know what? We decided we're not doing the event. We'll come back to it." So we built a calculator and I admit, it doesn't have every detail you could possibly have in it, that you can basically put in a bunch of specs. The kind of questions that we usually asked in order to put out a quote. It gives you at least a rough number to kind of start with.

Will Curran:

Do you guys feel like that transparency level is good or do you think we need to put it behind a salesperson more?

Nick Borelli:

I want to hear Thuy because this is you. You're going to look it-

Will Curran:

She's like looking at it right now.

Nick Borelli:

You look at stuff like this, right?

Will Curran:

Yeah. I know she looks at stuff like this. She's like, I hate this. Thuy, did I ever ask you your opinion on this? No.

Thuy Diep:

Yeah, you did. Yeah, you did.

Will Curran:

Oh, I did, I did. Okay.

Thuy Diep:

You gave me the site directly and you said, "Hey, here's the link. What do you think?" And I responded, "Is there a deadline? When do you need it?" Like feedback.

Will Curran:

Oh yeah. And this is your deadline. On air I am asking your opinion.

Thuy Diep:

I will put it on make to do list.

Nick Borelli:

This whole episode has been about that. That's great.

Thuy Diep:

Okay, so I liked it. I liked how it was formatted. I think it's really great for someone that needs to go on. It's really easy to use. Those were the feedback I gave you. I think especially you have all the categories. F and B, venue, décor, entertainment. Corporate planners I feel like are the brides and grooms of the wedding industry when it comes to AV. I feel like that's the one topic where I know little bit about it but I couldn't go into AV lingo. And so I like that you did that. I like

that you're trying to find a solution. I would say the one thing and this is one thing that irks me about supplier partners, is I have a template in which I send our RFP, request for proposal out and it's the same thing. It's how I keep organized. It's really detailed. And it irks me when I send an RFP and a supplier partner comes back and says, "Hey, can you fill out our form instead?" And I just cannot make time for that. But, how you did it was really great because it's instant. You get the answers right away, right?

Will Curran:

Yeah, instantaneous.

Thuy Diep:

And you're like directing us. I mean there's times ideally ... Also when it comes to supplier partner relationships, I also need to trust who I'm working with as well. So I do need that human interaction. And a lot of times when I'm in a rush, that's when I'll pick up the phone. And I'll say hey, walk me through, this is what I need. I don't have time to even write it in an email. Can you send me back the quote because we are a deadline driven industry?

Will Curran:

I just realized too, we don't have our phone number on this specific page, but we have it on all of our location pages. But I can put like, oh would you rather just talk to someone directly?

Nick Borelli:

Yeah. Skip all this and just give me a call. I do that stuff all the time in copy. Because there's people that are just like, yeah, I just need a human, and you're like great. Zero barriers to that.

Thuy Diep:

Yeah. And I might think I need something but you're the expert and that's why I work with a handful of selected trusted supplier partners, vendors. Because, I know that they're not afraid to say, "No Thuy, this is actually what you need instead." Or, "I know you said that the client is budget conscious so here, you can use this whatever style instead and that will help." Like that, you can't do via email or via whatever. Or I'll just take longer.

Will Curran:

Totally. Totally.

Nick Borelli:

This tiering is super interesting. I want to show this to a couple other AV people that I'm friends with.

Will Curran:

Yeah, yeah. I mean basically the way we kind of did it is that we kind of broke it into three categories, where it was like ... You kind of mentioned it there. Like people have different prices

for weddings and stuff like that. I think I probably need to put some more education or like clarification on it. Because it seems like we're enhancing prices based on tiers.

Nick Borelli:

Yep.

Will Curran:

But it was essentially this idea that like, for example, concerts and festivals I will admit is not 100% our biggest area we work in. But if you have a very large concert you're trying to do or it's for a corporatized thing, we're a good fit for it. But if you're like look, I'm comparing you against the local event production company that does a ton of concerts, we're going to lose because we're corporate pricing, we're corporate structure, we're corporate service, things like that. And I know we probably talk about that all the time as a topic. But one thing there as well is social and private events too. We want to put a little bit higher of a barrier because we also just don't do weddings and things like that. We're looking for higher end. But probably some better messaging I can on here. Maybe I'll talk to you guys offline about that too.

Nick Borelli:

I worked for two different AV companies in my life. One, if you call them up and say, "Hey, we need one gobo at our hotel on Saturday," they'd be like, "Yep, no problem."

Thuy Diep:

Really?

Nick Borelli:

Yep. They would get ... This is what we use the phrase, you know, at the second place I worked at which did not like the other place that I worked at. The over AV company I worked at, they wouldn't do anything under 50,000 period. Just didn't make sense for them. So it was a getting out of bed fee. We don't get out of bed under 50,000, the other one was like, we will take 30 bucks. The over 50K group did about four times as much in revenue and did one third or one quarter the amount of "events". Then. Now the one that was doing the single light fixtures, I think did 2,200 events last year and is now creeping in on if not exceeding the revenue of the other group as well. The getting out of bed hustle whatever, just like we'll hump it out for a light thing, if you've got the infrastructure and growth plans for it, you will crush your competitors doing awful work if your goal is scale. And the reason is is that you're in those hotels no matter what every single day. They get a van, they're at all the hotels, they drop one off here. It's never one, it's like 12, right, 20. But 20 off here, 10 off here, et cetera.

Nick Borelli:

And over time what you do ... So in catering, this is why caterers have drop off catering. Drop off catering makes no money. I mean there's people that have figured out ways to make some money but it's basically a loss leader. Your van is out there, people see your name on it and you're in those companies' places for lunch every single day and you're eking out terrible bottom

line revenue, like single percentages. But when they have their big event, guess who they think of? The people that provide their lunch for them every day. So eventually you start taking over all the big business that you want. It's a long plan, it's a grind and it takes a lot of ... But it's also good for seasonal companies. There's a lot of reasons to do that. So there is kind of loss leader type stuff that really can generate the money you want. But those are two different decisions you have to make. Like Will, you're squarely in the second company that I worked with. You're basically just like, we have a goldilocks zone and if you meet those requirements then we're a good fit. Versus, if you've got some money, you're a good fit. Those are two different models.

Nick Borelli:

Yeah. I mean I would say that I would show a little bit ... Like you're showing all your intangibles here which I think is cool. Like people understand that they're paying for those intangibles, that they're of value. I think that you can make an argument of like some kind of rough tiering of like the kind of stuff that generally goes with these kind of shows. Movers or you can get more, kind of like a collection of things that are common for that so people know that there is some tangible assets. The calculator thing is really unique.

Will Curran:

Thanks.

Nick Borelli:

People really-

Will Curran:

Took a lot to build.

Nick Borelli:

Yeah, I'm sure. Thuy, would you use that if needed some quick and dirty math?

Thuy Diep:

Yeah. I thought it was really a easy platform to use. If it's like I couldn't do it myself or pick up the phone and call someone. Or maybe I was in a destination where I wasn't used to. You know, yeah, I think that's better than let's say Will saying hey Thuy, fill out my template then. And I'm like, oh my gosh.

Nick Borelli:

Yeah. That fill out your template thing is super interesting that you said it like that. I think that's like very important for suppliers to hear. Like, you can get really organized in exactly how you want the information to come in in order for you to give the best quotes possible. But like just realize that it's out of whack. You're the supplier, they're the buyer. So if they have a system, they're system's right. You know?

Will Curran:

Totally. So I got a pivoting conversation on topic of pricing and transparency. Post event add-ons. So obviously a lot our industry is quote first and then you get invoiced later right?

Nick Borelli:  
Yep.

Will Curran:  
And depending on when the invoices are due, sometimes there's always usually an invoice after the event or maybe right before the event. But, I hear the ... I think the thing that irks me the most, yeah is AV companies who say, "Okay here's our quote, here's where we're going to do this." And then after the event you get a bill for like \$10,000 more and it's nothing changed. The event didn't change at all.

Nick Borelli:  
Do you know who does it?

Will Curran:  
Who does it a lot?

Nick Borelli:  
In house companies who are competitive because they don't need to and aren't relationship based. Because they're not relationship based, you're forced to work with them.

Thuy Diep:  
You just have to use them.

Nick Borelli:  
Yep.

Nick Borelli:  
Oh, I mean, use your imagination. There's companies that are more likely to be in those positions-

Will Curran:  
By the way, they're an AV company.

Nick Borelli:  
Yeah, of course. There's companies that are more likely to be in there. The next tier I would say broadly speaking without necessarily naming people because I work with anybody, would be unions. They don't care. Like it is what it is.

Will Curran:

Check this out too. What I've also noticed as well, so I've had the like, we're just going to charge you and sneak this in. That's a malicious thing. But I've also seen the less malicious one, which is, they have unexperienced people quoting the quotes out and they don't do the right scope and they say, "Here's what you need. Yes, you're all good to go." And they're underquoting labor. They're underquoting the gear. Things like that. And then because of that, then someone afterwards is like, "Oh dude, you underquoted. Oh dude, we're going to lose so much money off of this. I guess we'll just bill them afterwards." That's a little bit less malicious than we're for sure just going to throw an invoice and we know we're going to about bill them after. Thuy's looking so frustrated. Thuy, lay it on us.

Thuy Diep:

Okay. So talking about pricing transparency, and I seriously just said this statement. I've always been taught when it comes to clients, there's no hidden fee. You get exactly ... And that's what we also do. I'm talking about like plus cost model. Everything is all inclusive pricing as well to our clients. Including tax, gratuity. All of that stuff is in there. We don't necessarily break it out. We itemize it, but we don't package it, so you can see that. And even if it's an estimate, we state that it's an estimate. Because we do not want to surprise the client during final invoicing. If the supply partners did that to me, I would be furious. If they weren't transparent and open with, "Hey, I just want to let you know, pending whatever, a scenario that's going to happen on the event, you may incur a price increase." I just need that at least, so we can let our clients know. If you were to just invoice me and I'm like where's this extra \$10,000? I'm going to be pissed. I think that's so unethical.

Nick Borelli:

Yeah. You'd never work with them again right?

Thuy Diep:

Yeah. I would not work with them again. Because at that point you're not being a good partner. We're not being good partners to each other. And it's one thing if it's like no one saw it coming or I wasn't educated on maybe a certain permit or something. But that's why I rely on partners to educate me on that. Because I know a little bit about everything, I don't know all in one specific category. So transparent pricing in that sense, letting clients know the end user, that this is what you get, there's no hidden surprises. Here's some items that might increase or decrease. But we just want to be honest and transparent with you in that sense. But if you were just estimating quotes ... And actually, I feel like I've had that recently where it was just estimates, and I said, "I can't go back to the client. You're changing your rates every other day." This isn't like mom and pop, we're working with big corporate clients and they have to get approval through their leadership, through their procurement team. And that's something that going into transparent pricing that we deal with a lot, is procurement. Yeah, that's just my feedback. But it definitely irks me.

Will Curran:

Yeah. I think that we need to get to the point where the consumers, the planners, the buyers, everyone needs to hold vendors to a higher standard too. Like the fact that I'm a vendor standing my foot in the ground and saying, "Look you should be asking your other vendors that we're bidding against, that their quotes should equal their invoices." Is probably kind of weird because like, I guess I'm staying the standard and trying to move forward in the AV industry, but I just think far too often that-

Nick Borelli:

Well you've invested in what you do enough that you can project realistic expectations and not lose your business. It's funny, I had a bunch of friends who owned tattoo shops and they advocated for more regulation on tattoos and people are like, "Why do you want to be regulated?" And they're like, "Because I want to get out the bad ones. I don't want to be competing in a marketplace with the dodgy ones who make us all look bad. I want them gone. So I want higher standards because I'll meet the higher standards anyway because I already do." And I think that's where you're at. And honestly for me, if there was one sheet of paper that said, "Here's all the things that could potentially" ... I mean, you're not going to get all the things, but these are the most likely things that would incur additional pricing. If this happens, then we'll do this. If this happens, we would do this. Just so there would be a separate piece of paper that I would know that these are kind of the stressors.

Nick Borelli:

So let's say it's out of town or if there's a cancellation or whatever it is just the person would have an awareness of basically the most likely scenarios where they would be incurring more costs and a range of what that would be. At least that would be something that you could hold on and be like, all right this isn't too likely. And then you could at least budget for these things that potentially happen so you're not ruining people.

Will Curran:

Yeah, I think be a part of communication portion of it too. No, I like that idea a lot. I think that, if I know it's coming ... Like I tell people all the time when I'm saying quote equals invoice, I'm saying as long as you don't add additional equipment on site and as long as you give us an accurate schedule and that schedule does not change-

Nick Borelli:

But you know where the creeps could happen.

Will Curran:

Yeah, totally.

Nick Borelli:

Like if this flip ends up being ... If I don't get that time, then I need more labor. And if I need more labor, I incur more costs. But I think if you were to not just say it like that and say this is a stress point, this is a stress point, this is a stress point. And then they could budget potentially

for the worst case scenario. Because I think that's what planners are really good at is being able to see two or three different scenarios at the same time. And I think if you give them that in those terms, I think it'll resonate.

Will Curran:

Absolutely. Absolutely. Man, what a heated topic.

Nick Borelli:

Who do you think besides AV? We've beat up on AV because-

Will Curran:

Yeah, because Will's here.

Nick Borelli:

Well, again, I've seen it too. And there actually as mom and pop AV companies so they can set their own prices and come up with things their own way. So that's why it exists but any other businesses?

Will Curran:

It's not just the events industry. Because I always compare us to car repair shops. But then just in the events industry, I think DMCs are probably also very notorious.

Nick Borelli:

They're on my list.

Will Curran:

They're managing so many different vendors and they obviously have to mark things up and make money off of it.

Nick Borelli:

Again, it's not like they're all bad, but there is the most amount of jazz, let's say, in how they price, I think, in that world. And I think because there's a lot of flexibility and there's a lot of putting a bunch of things together ... If you put 40 things together and you make a dollar on 40 things, it's a good way to make a living. Versus the idea that I believe DMCs real business is that they are creatives doing creative work and footwork, those two things, on behalf of the client. That's their line of business. That's what they do. And the rest of it is opportunities for them to take advantage of business relationships. But that's not what they do for a living. I know it might seem esoteric, but it matters to me.

Will Curran:

I got another good one probably. Like graphic design work, content design work.

Nick Borelli:

Oh yeah.

Will Curran:

Because a lot of times scope is vague, you don't know what you're doing. But then it also feels like, "Oh hey, I'm going to give you this quote," and you're like, "Okay, good." But then I don't find-

Nick Borelli:

They don't plan to do it though. And I'm one of them. Like, I'm bad. I'll scope something out and I'm like, "I don't know. Just make it happen." And they're like, "Well how long do you think that'll take?" And I have to know them and their speed for copywriting. I manage copywriters, video editors, graphic designers, and I have to know their process so well that I don't know it so it's very difficult for me to scope.

Will Curran:

Well I know scope is really hard too. I mean, we can always talk about scope or scope creep in another episode, but I'm almost thinking too, like the transparency of like, how do I know you're about to go over budget in your hours? Because sometimes you know, like you're not getting an invoice every day saying, "I spent five hours on this." It's like all of a sudden two weeks go by and boom, "Oh by the way, I am five hours away from hitting budget." And you're like, "Oh my gosh. We still have so much more work to do. This is not okay." And you don't have a good idea of pace and things like that. Thuy, who else do you think is notorious for lack of transparency in pricing?

Thuy Diep:

It's not necessarily, but I would say décor, furniture rentals, things like that. Sometimes they'll package. So like, here's a lounge vignette, and I like to break it out because then I have to come back to you and I'm like, "Hey, they don't want this couch. They want this couch instead." Or, "They don't want two sofas, they just want one. Then what would the pricing be?" And they just lump sum it. And so that's where I need things to be itemized. Because I don't like sending clients package pricing. So it's not necessarily not transparent, but I just need a little bit more detail on what each item costs so then I can then turn into my documents to present to the client.

Thuy Diep:

I'm trying to think though. Because if anything how I see that, and I'm glad that we have someone from AV, we have someone from the DMC world, because if a client were to ask ... And this is going back to different styles and how you present your pricing. That's just margin. So what people are saying not being transparent, we just put basically ... Cost plus is here's the cost, here's a management fee. This is the percentage that the business would be making, my company, Aaron's company. And how I usually do it is margin. That's saying we put our management fee in each single item because in case they take one out, if it was the other way

around that percentage would constantly shift. That management fee is just, whatever, let's say 20% of the-

Nick Borelli:  
It's a scale.

Thuy Diep:  
Yeah, exactly. That would constantly fluctuate.

Nick Borelli:  
That's logical.

Thuy Diep:  
I'm just trying to think of anything else. Like, people who-

Nick Borelli:  
I think Aaron does that and then a design fee. So there is a cost associated with him scoping out how much time it will take regardless how many pieces are there in order to craft out the design of taking the goals of the client and turning it into a tangible event. And then, depending on the scale of the pieces as far as the sourcing, like kind of the legwork aspect of it, that's where it's directly tied to a price. So there's creative, and then there's kind of legwork. Which in AV I think it's fairly analogous, right? Like you do design work. I don't know necessarily if a lot of AV companies line item for that, which I think they should. And then there's a ton of work work. Like manual labor.

Thuy Diep:  
Yeah. And the other thing that we kind of suck at in our industry, because we don't have actual agreements on work. Like you're guaranteed the business before we even see your creativity. We're doing a lot of bidding and there's at any point where you can just lose the whole entire program. All the hours of putting everything together, getting quotes, bidding, and then they say no thank you. That's also a bummer. Because you put so much. And that's just the cost of doing business in our industry. But that's something to also put into play to. And Nick you said something in the-

Nick Borelli:  
I'm different in as much as like I won't do strategy work of any sort whatsoever until I get paid. So if someone's like, "Well what you do in order for us to determine if we would hire you?" I speak in terms of goals and what would be accomplished, and what we'd all feel like and what we'd all be empowered with. But I don't tell them I'm going to be doing this, this, this, that because that's what I do. So it's very different for me in how I look at that. And it's similar to agencies. They'll do a little bit of creative in far as what their bids will look like when it comes to a marketing agency. But they make their money off of the execution. I don't do the execution. I only make my money off the strategy. So it's different.

Will Curran:

I feel like too, Thuy you bring up a really good point. Everyone's afraid they're going to lose business. And the problem is our quotes are also our plans for how we're going to execute the work. And so the problem becomes that far too often ... Like in other businesses, you get quotes on prices and things like that, and then you start talking about logistics, and then that price evolves based on those logistics on there. And I'm just wondering ... And we've talked about this obviously ad nauseum with the ... We talked about the forum topic of commoditization and everything like that. But I'm thinking everyone needs to get to the point where it's like, hey, we got to pay a little bit of money to invest into this to make it worth the time to put more detail into this work. And all the time when we're doing our quotes we spent a lot of time making sure it's a plan.

Nick Borelli:

I spent two weeks working on a bid the last two weeks. And I bill. It's part of my retainer, whatever. But bidding is expensive. And it's a gamble. And you win some and you lose some and hopefully your closing percentage and your ability to know which are the right things for you allow you to weather that storm and make the gambles worthwhile. So the gamble's always going to be there. I just think it comes down to once there's a line of where you've given creative over to the client before you've chosen, I think that you do yourself a disservice. Ultimately the best case scenario is that you can say, "Here's who we are. Here's who's on our team. Here's our win loss record. Do you want us?" And that's the pitch. Like the best of the best. That's not everybody.

Will Curran:

I'm thinking about this too. Like that might not be paying upfront for everything. Because I'm thinking like Thuy, you probably have repeating stuff that you've done 100 times. Someone's like, "I want a vignette," and you know exactly what it's going to cost. You've done this before. There's no reason that the vendor should charge you to quote that out. But I feel like in some point if you're doing something unique and different that the time it's going to take and say look this is going to take me a little bit ... Like for us, we're scoping across the country all the time and we're constantly looking at who has what inventory, what levels is it at, what other events are going on simultaneously, things like that. Maybe easier for people who are a little bit more turnkey in some ways. Before I get my head chopped off for saying, oh hey, a simple lighting setup needs to be paid for to get quoted out. No. Probably not.

Will Curran:

Thuy, you got anything else that we should talk about when it comes to pricing transparency?

Thuy Diep:

I would say the last thing about pricing and partnering and all that stuff too is don't short yourself. I do this with supplier partners all the time and maybe for my team, it could look at like, "Oh wow, Thuy why are you doing that?" But it comes to ethics for me. It comes to who I am,

how I want to do business. Do I want to nickel and dime you? No. Do I have a sales goal? No. I'm not making commissions off this. My goal, my objective, my vision through this is honestly, how can I best provide you piece of mind and what the client experience will look like. That's really, at the end of the day, that's rewarding if that gets accomplished. And supplier partners all the time to win, they'll say, "Oh, we'll just give it to you for free." And I just recently had that happen. I said, "No. You need to be fair to you. Do whatever you need to do to make money and not regret this. Because if this is not the right opportunity then you shouldn't take it."

Thuy Diep:

I'm very much about that aspect of it too. Because for me, I know that I'm not going to be ... When I send out a bid, we're trying to beat Walmart. We're not trying to say here's the lowest price. If a client is so budget conscious, I know to the point where they're doing the research on their own, that kind of stuff, that's like why you hire us is that we can take that off your plate. You can get that time and energy back. So I guess I would say you have to look at everyone that's in the partnership too and if it's just the right fit at that point. Whether that's meshing with personalities or everyone's goals are in alignment. Because there's sometimes when we'll just turn down opportunities for X, Y, and Z. So please don't be afraid to do that also. Don't be so hungry where you're kicking yourself in the foot at 2:00 a.m. still working on things. Or you're not feeling respected back. That's something that's also really important too. At the end of the day, that isn't worth it. Maybe once in a while just to get it so that you can get opportunities.

Thuy Diep:

Nick, I think it was you that said ... Or no, was it Will? The two options. It was Nick. Where people would actually grab the 12 gobos and they'll take on that business. So know if you have the resources in order to get that done. Is it sustainable? And then choose from there. But yeah, I would say that's like a little tip as we were talking about this. In our industry we're all very knowledgeable in what we do. We all know different ways in which we do business. And choose wisely.

Will Curran:

Preach. I think that'll do it for this week's episode of Event Brew.

Nick Borelli:

Yeah.

Will Curran:

That was incredibly awesome guys. Seriously. I hope you guys had a great time. Nick, Thuy thank you so much for joining me down this wonderful, golden road of pricing transparency. Fantastic topic. And thank you to everybody listening as well. You guys are awesome. My brew crew, our brewers. What's all our slang that we get from? The brew crew, brewers, the-

Thuy Diep:

Spilling the tea.

Will Curran:

The tea spillers, the coffee throwers, the-

Thuy Diep:

Monster.

Will Curran:

The Monster chuggers.

Thuy Diep:

I want Nick to have a whole entire fan base at the end.

Nick Borelli:

Of a bunch of unhealthy, wired people. Sounds great.

Thuy Diep:

I want to get trolled for saying something that I disagree with Nick on and then all the monster people come after me.

Will Curran:

All the monsters come out. Well, we'd love to know too from everybody out in the audience, what's your opinions on pricing transparency? Is there some way you do something different? Is there some tip that we missed? Or something that you believe in that you wish that people would do better when it comes to pricing transparency? Where do you see the future of pricing transparency in the industry? Let us know. The best way to reach us, you can actually email us at [eventbrew@helloendless.com](mailto:eventbrew@helloendless.com). You can use #eventbrew on social media on all your favorite platforms. We're there. Tag us and we'd love to hear from you. Also make sure to head on over to your favorite platforms and rate, review, subscribe, all that sort of stuff.

Will Curran:

And we mentioned a bunch of other episodes we've done on. From the commoditization episode to the episode on icons where we talk about transparency in general. We're going to link to all that stuff in the show notes. Head to [eventbrew.com](http://eventbrew.com) to grab that stuff. You know what to do. But thanks everybody for listening. Thuy, Nick thank you so much for joining us and we will hopefully see Dustin next week. And thanks everybody for tuning in. We'll see you next time on Event Brew.

Thuy Diep:

Bye.

Nick Borelli:

Bye.

Thanks again for listening to Event Brew. Be sure to rate and review us on your favorite podcasting app. Also, be sure to head to [eventbrew.com](http://eventbrew.com) and leave us a comment about this week's episode. See you next time on Event Brew.