

**Cancelling a Show • A White Paper Exclusive to ECEF • June 2009**

**Cancelling a show** may be among the most difficult decisions a producer ever undertakes. Three producers who have faced this decision offer their advice below. As the economy continues along its sluggish path, more and more producers may find themselves, unfortunately, in need of such advice.

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***Gather the facts.*** Shows can fail to “click” for a variety of reasons. While the signs of an impending catastrophe may be all-too obvious, a simple review of your cash position, cash flow, booth sales and attendance marketing budget will indicate whether a cancellation may be in order. The opinions of trusted advisors and key customers should be sought, as well. And a thorough review of all contracts (with partners, exhibitors, sponsors, speakers, entertainers, venues, hotels and contractors) should be conducted, to assess your potential liabilities and losses.

***Think with your wallet.*** It’s heartrending to see your “sick child” failing. But if there’s nothing you can do to resuscitate the patient, decide sooner rather than later to remove it from life support, or the child could take the parent down with it. Be sure *all* your business decisions are based on your ability to make a profit—not just survive for another go-round. You don’t know what the future will be like and you need to have some money left to make another go at anything.

***Understand the overall market.*** Is your niche unique enough to keep exhibitors and attendees interested, even *after* you cancel a show? Are your events so distinctive that there’s “no place else to go?” Or do competitors offer exhibitors

and attendees an alternative? Once you know what your exhibitors' and attendees' options are, you're in a position to make a sound decision.

***Don't be afraid to cancel.*** Nobody wants a bad show. So if you tell your customers that you can't sign up enough exhibitors, that attendance will be low or that the recession is hammering your industry, don't worry: they will understand. (On the other hand, if a competitor's show does just fine within three months in a similar location, you may lose exhibitors' confidence.)

***Pull the trigger early.*** Both you and your customers have many more options early on. Your venue won't be too inconvenienced and may credit your deposit if you cancel early. Other than drafting floor plans for you, your service contractor hasn't devoted much time to the project and shouldn't be put out if you cancel early. Attendees probably don't even know the show is coming. And exhibitors still have time to adjust their plans. Delaying your decision to cancel only increases your financial exposure, narrows your and your customers' options, and stands to do damage your reputation.

***Don't worry: exhibitors are forgiving.*** By making and announcing a tough decision in a timely manner—*before* exhibitors commit even more money and resources to your event—you will earn more, not less, respect. Exhibitors will work with you as long as they think you are honest and have good intentions. In fact, if you have integrity, they will lay all the blame on market conditions and none of it on you. Exhibitors will even allow you to cancel a show more than once, if they believe in it. It's when *you* stop believing in your show that exhibitors lose patience; at that point, confidence in you erodes.

***Communicate with care.*** Prepare a straightforward news release that announces the show's cancellation and send it to the media promptly. Be sure to include the primary reason for your decision to cancel the event. Under no circumstances allow your competitors to "spin" the news of your decision: you won't like what they say. Expect to learn through the rumor mill—courtesy of

your competitors—that your firm is “in bankruptcy” or “will never hold that show.” While such rumors may be laughable, they can hurt your chances of receiving deposits from exhibitors in the future. Telephone the most important editors in your industry and offer additional background about your decision-making process. At this juncture, be certain as well to telephone your key contractors and other event “partners,” so they learn the news from you first.

**Contact exhibitors first.** Before you contact the media, telephone all your paid-up exhibitors; persuade them that, without enough exhibitors, your show will not be successful for anyone; and offer to refund their money or put it toward another show. If you’re in solid with your exhibitors, you’ll end up refunding only a small percentage of the money you’ve received (although you might have to offer incentives to convince them to allow you to hold their deposits 12 months or longer). There’s little need to call prospective exhibitors who have not signed up, although super-hot prospects may be ready to sign up with you for some other event; instead, send prospective exhibitors a copy of your news release.

**Update the Web.** For attendees’ benefit, be sure to update your Website immediately. Also reach out quickly to your industry’s Web publishers and bloggers to advise them of the cancellation. And don’t be at all surprised if a few individuals never get word that your show has been cancelled, due to the way in which old information lingers on the Internet.

**Remember your salespeople.** When you cancel a show, the individuals hurt the most are the salespeople who have received or are due commissions. You must be clear with your salespeople about the impact a possible cancellation will have on their income. If you can roll exhibitors’ deposits and booth fees over to another event, you can minimize the negative effects.

**Promote the next dates.** If cancellation of your show was due to lack of exhibitor interest, you may never hold it; but if cancellation was the result of poor timing, you should have new dates in mind when you announce that you

are pulling the plug. Before choosing new dates, revisit the reasons why your show had to be cancelled and determine how long it will take to get the number of exhibitors you need to make the show profitable. Exhibitors will usually roll their deposits into other events and even let you keep their money for as long as 18 months; but if the show no longer makes sense to them, or if you cannot announce new dates and a venue, they'll probably want their money refunded. Whatever the outcome, a clear-headed, hard look at the reasons why you had to cancel your event should help you do things in smarter, better ways going forward.