



Renting vs. Owning

Michael McMahon, President of Hill & Partners, Inc., recently made a presentation at the 2009 HCEA Annual Meeting in Tampa entitled, "Rent vs. Own: Exploring the Custom Exhibit Landscape". Most of the content in this "If you asked us" contribution is pulled from this session which focuses on the frequently asked question and growing alternatives in our industry.

So, should you rent or should you own? Well, that depends! It depends on your particular situation, corporate goals, specific program activities and a host of other considerations.

The best way to approach the subject is to explore the options. Let's begin with the primary reason why you exhibit in the first place. You're either:

- Working to influence your customers and affect their perception of your brand

OR

- Seeking to obtain qualified leads for your sales organization

OR BOTH!

Does it matter whether you own, rent, or borrow your exhibit? No, none of that matters; how you accomplish your event or exhibit program goals has nothing to do with whether the vehicle you've chosen is owned or rented.

However, there is one key component of every plan that must be a significant component of nearly everything you do: MONEY!

This is a good term to look at as the key factor in the discussion. Many of you will remember the budget process for a Marketing, Trade Show, or Events Manager. There was an annual presentation of the goals for the year ahead and the budget needed to achieve those goals for the company. After the details of this plan were approved and the budget was set, the manager could independently work through these goals and modify tactics to achieve them on budget and on time.

These days are gone!

- We are in an unprecedented recession

- We are dealing with a migration away from excess
- ROI is king and everything approved must be mission critical
- There is less personal discretion and greater oversight
- Executive sign off is required on even small budget items

All of these pressures are added but the manager is still expected to deliver the same results in an even more competitive environment. Until customers', prospects' and even colleagues' expectations align with reality, our job is even more difficult.

Let's go over some options that you should consider as you factor all of this into your operations:

- Traditional Rental Exhibit

The traditional rental originated with show contractors attempting to help exhibitors have a presence on the show floor without their own properties to utilize. This is often expensive on a per show basis and has minimal impact, as nothing is customized. The traditional rental solution of the past was short on value.

- Traditional Custom Ownership

This is the most common solution for sophisticated brands because it allows exhibitors the freedom to create properties that are consistent with their brand while allowing detailed preferences. This solution is a one-of-a-kind property.

- Custom Turnkey Rental

The fastest growing segment of the exhibit industry is a solution that combines the flexibility of a rental program with the quality and impact of a traditional custom build. Turnkey rentals are budget-friendly for companies that are planning their program activities one show at a time. They allow for the avoidance of a capital expense while still providing unique custom-branded exhibit solutions that create a measurable impact on the show floor.

- Hybrid

Hybrid exhibits combine many unique resources into one solution that meets all the goals of the client. These resources can include existing client-owned properties, exhibit house rental components, rented props and thematic treatments, and theatrical lighting and rigging to name a few. The hybrid exhibit typically incorporates one or more significant rental elements that combine with owned resources to create a unique solution.

So, should you rent or should you own? Well, it depends! We would love to discuss with you all the options for your program and what would suit you best at this point in time.