

## Pricing outdoor work

These notes were collated during the Pricing Seminar for Outdoor Artists organised by XTRAX and ISAN on 16<sup>th</sup> May 2017 (London) and 22<sup>nd</sup> May (Manchester).

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Image 1 FierS a Cheval by Compagnie des Quidams, GDIF 2017

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## TOP TIPS:

- Pricing is an art not a science - don't consider pricing in isolation, need to look at the overall picture
- Set a balance of audience / show size, cost, portability (nature of the performance; does it cost a lot to transport?)
- Have a great show – something you completely believe in
- Make your show look good with strong imagery and marketing materials
- By adding height to your performance (either in the set / aerial performance or ask for a stage) you increase visibility and audience sizes
- Think of your USP and how that adds value to your show - can you use social media to hike your presence as well as the profile of the festival.
- Treat your company well – they are hard to replace, they represent you
- Be realistic and honest with programmers
- Have several shows in rep – a variety of shows of different scales
- Always write everything down around booking conversations. Write an email agreeing the details of the discussion as you're having the phone call & send it as soon as you come off the phone.

- Everyone underbudgets sometimes – learn from your mistakes

## YOUR COMPANY

There are different ways to approach pricing and organisational funding structures (i.e. revenue funded or not) determine the approaches. Pricing strategies depend on profile of company and number of performers/size of show. Aspects that influence financial decisions include:

- Scale of Company & its legal status (Ltd company, charity etc)
- Main funding streams, are you revenue-funded or do you operate on a project basis? (NPO can fund the salaries and premises for example but would not cover touring costs)
- Are you VAT registered?
- Do you have fixed employees on PAYE or do you mainly work with freelancers?
- Do you have storage or office space you need to pay for?
- What are your main activities, do you diversify your income strands?

## HOW TO KEEP GOING

- have several shows of different scales in rep (for at least 3 years each) whilst producing a new show.
- a company administrator (who draws up budgets and cashflows) may help you analysing your cashflow to make strategic decisions about what strands of work to prioritise.
- work with accountants who cover payroll, VAT, personal and company tax returns (recommendation by Avanti: John A Porter in Manchester, with a lot of industry expertise).
- can you offer other activities, i.e. Youth workshops to diversify your income strands?
- Look at your overall budget and see how it all fits together, what activities can be paid by what income strands. How much profit do you need to make on each show/ activity to keep the company going?
- Be realistic of how many bookings you need to make re-rehearsing a show viable. You can set yourself a deadline by which you need to have had this number of bookings, and otherwise cancel pencilled bookings
- Think of your work's lifespan: in September you need to be making new work to have material ready for selling work in October for the next season.
- When touring, look out for exclusivity clauses in contracts, as this may affect future bookings.



*Image 2 Something to Hold by Pif-Paf Theatre (c) Steve Eggleton*

## FEES

The fee you can charge depends on different factors: profile, publicity, number of performers, audience capacity, economic climate, USPs, additional audience engagement elements etc

Generally, Fees are quoted (covering artist fees, materials, company fees) in ADDITION to travel, accommodation, warm meals, per diems, technical and security costs.

However, Greenfield festivals usually want to see a total cost (i.e. including travel, accommodation and on-costs).

## Increasing Fees

Due to the difficult economic climate, some companies have not increased their fees in the past years. Others have had to increase fees to counter inflation.

It is important to keep a realistic approach to fees to avoid companies undercutting each other and allowing for performers to be paid fairly.

## Artist Fees

The Arts Council England have taken down their indication of fees for artists and recommend consulting national living wage standards and industry advice organisations.

### Equity:

- Stunt person £550 per day
- Performer: £102 per day

Our panel members pay their performers between £180 - £200 per day, depending on experience this might be slightly higher – or slightly lower for crewing jobs.

Performers' travel days (in the UK usually one day to get there and one to travel back) are paid at £40 - £80 per day, with additional Per Diems of £25 as option.

Director fees are arranged separately.

Fees for international bookings may vary but are usually the same, with higher travel expenses and Per Diems added as direct costs to the programmers. Additional costs that need to be considered for international touring include Visa costs, freight costs and additional administration costs – see *International Touring* Information for further details.

**TIP:** *If you received requests, make sure you save email quotes and have a standard email for general enquiries.*

## Several Performance Days

- check spreadsheets covering various travel options and performance days.
- Encourage promoters to book shows for several days by increasing rates for one off performance days and offering discounts for further days.
- When traveling and performing for example 3 weekends –pay performers for the days in between the festival weekends, for example at travel day rates

## Travel & Accommodation costs

- Usually travel (flights, mileage, baggage, ferry costs, airport parking etc – see spreadsheet) and accommodation are added as separate costs to the programmer.
- Consider the most appropriate way to travel for your company and the set



- Longer travel routes may require additional stops and accommodation, check the travel route beforehand and add hotel costs to your travel budget
- Make sure you have travel insurance for all company members!
- Make sure you have at least two drivers for longer tour – consider paying separate driver to ease the strain on performers.

**CHANNEL TUNNEL (QUICKER THAN FERRY):**

- 3 cubic meters cost £250 (commercial travel - £150 for domestic)
- 10-trip carnet for £490 (valid for 12 months – may cost extra at peak times in summer).

**MILEAGE:**

- varies with companies (between £0.35 - £0.55 / mile)
- make sure it covers fuel and service costs
- consider road toll
- For European touring, Membre travel by van, and charge according to their 4 zones system (see below)



**ACCOMMODATION**

- Artists may be asked to share rooms – be aware if you and your company are willing to do this.

**Set / Technical costs**

The size and transportability of set will add costs to travel – to cut travel costs, companies can either source as much of the set requirements on site or ensure that the touring set is as transportable as possible (i.e. can fit in their van / within flight weight restrictions). This needs to be considered as part of the early creation process.

Minimalizing technical requirements makes touring easier.

For international travel, it is important to consider freight costs as well. Please refer to the *International Touring* Information document for more detail.

## Profit / Company contribution

Companies need to make money to cover fixed costs (insurance, phones, printer, vehicle servicing etc.) and become sustainable. For small companies it is useful to keep fixed costs very low for example by working from home or sharing offices.

The company's contribution can be calculated differently:

1. consider the company like a performer (i.e. £200) and add this amount to the overall fee.
2. charge a fixed percentage (i.e. 20% - 30%) management fee.
3. add a fixed allocation for administrator time per performance (i.e. £200), as well as charging additional time for packing / unpacking van and maintenance days. Additional overheads get divided by average gigs per year and charged to the festival as allocation for overheads per performance.

If you are also the artistic director of a company, it may be worth considering what you want to pay yourself, is it a fixed fee or 'the remaining profit' at the end of the year?

Some companies may charge contingency in addition to the fees, or would take any additional costs out of the company contribution paid by the festival.

Some companies calculate a minimum fee, which would cover all the artists fees, materials as well as a company contribution) but initially ask for a higher fee to allow for negotiation and contingency, as well as paying performers a training retainer to stay in shape.

There is a balance to hold between charging more for a show, with a higher profit margin and getting fewer bookings and charging less and getting more bookings. The first may give you less exposure but also leads to more relaxed performers.

**FUNDING TIP:** Overheads and management costs are legitimate costs to add to funding applications – it shows the realistic calculations that have gone into the applications to make a company sustainable.

Examples – see attachments & below for company based in London:

1 Day Outside London	Cost	Number	Days/Weeks	Total
Performers Fees	£200	3	1	£600
Travel Days	£75	4	2	£600
Per Diems	£25	4	2	£200
Director	£200	1	2	£400
Performance Materials	£50	1	1	£50
Overheads/Management	£1850	.2 (20%)		£370
<b>Total minimum price</b>				<b>£2220</b>

<b>Asking Price</b>				<b>£2400</b>
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## Rehearsal Costs

It is necessary to look at the cost of the shows across the tour, especially for re-rehearsals of shows in rep. Make plans in case you need to re-rehearse a show or support a second team.

Some companies may use Grants for the Arts funding to cover the costs of creating new shows and touring shows are paid by performance fees.

## Free Performances? Showcase Opportunities

Showcases can be valuable to get seen and secure future performances, but are not always paid. It might be worth to add the costs to your overall company budget to cover one free show at a showcase in overall budget.

## Your Show – Scale and Ambition vs Storage

Bear in mind that ambition and scale are not the same: shows don't have to be bigger to be better. Remember that bigger shows will add to storage costs. However, there are possibilities to charge more for larger shows and thus also making a larger profit.

If you have several shows in rep, also consider the storage space you will need for these shows. It is important to build a good reputation and relationship with promoters for them to come to see your shows. Relationship building might need a separate budget line to allow to travel etc.

## Negotiations

Some programmers may want to negotiate over price. This is more common in the commercial sector than in arts and cultural festivals.

Festivals often want to understand the costs to them rather than wanting to negotiate your fee down. Be aware of your negotiation limits and what you would be able to compromise on. What would add value to the deal for you, i.e. additional development support etc.

Look at fees from similar companies – the ISAN ideas summit booklet shows costs of other companies per day and the scale and numbers of shows they do. (<http://www.isanuk.org/outdoor-arts/outdoor-arts-ideas-summit-2016>)

## Income

There are commissioning programmes like Without Walls that could cover parts of your creation costs.

In order to get bookings, invite programmers to see your show live. Give them as much notice as possible and think of how you could make it easier for them to see the show, by for example giving travel advice etc.

## THE PROGRAMMER'S PERSPECTIVE



*Image 3 Just SO Festival*

Pricing is not a “us and them” we work together and every festival is very different. Generally, the way festivals structure their finances is the same to companies – both are working on shoe strings and need to earn money and cover costs, so deals have to work for everyone.

Bear in mind that festivals all differ in their organisational structures, funding situations, visitor numbers, ticketed shows and needs in finding additional funders.

In addition to performance fees, festival directors need to consider spend on road closures, technical and production teams, festival teams, technical expenses, production, travel, insurance etc.

When approaching bookers, ask yourself what kind of audiences would like your show, what’s the festival’s budget, what are they looking for and what is their timeline?

Festivals may be looking at smaller shows later in the year rather than for larger shows.

For Festival organisers, it is crucial to build relationships with artists. The more the organisers trust artists the more willing they’ll be to book new work sight-unseen. Think about where the festivals are in their lifespan and development. If it’s a new festival they’ll appreciate people looking to build relationships.

### Negotiation

- Programmers are very conscious of delivering an ambitious programme on relatively small budgets. However, in most cases the principal is not to negotiate and get the price down.



- Artists should be working towards the idea that programmers book their show because they like the artist and the show – they won't book it just because it is cheap.

## Value

- Programming is more about value than price.
- Festivals have to make active choices to find enough shows for their audiences, locations, themes, contexts and to make a good overall programme. It is more like a jigsaw rather than fixed building blocks.
- Audience sizes can be an indicator of value – festivals balance the number of audience different shows can reach. Value in terms of audience reach is defined by the quality of the experience to the audience members.
- Several shows per day will increase the value for festivals – if it doesn't cost you more to do 2 or 3 in a day rather than one this can be helpful. By booking for a minimum of 2 days, programmers can reduce costs and logistical arrangements.

## Artist support

Festivals have obligations as NPOs to support artists and their work. By building relationships with specific artists, they may be more willing to support and pay more.

## Travel costs

Festivals will usually cover travel costs in addition to the performance fees. Occasionally it has felt as if festivals were asked to contribute a lot more if the company has previously had a performance a long way away. This is something the indoor sector does better and needs to be developed in future for the outdoor arts sector.

## Over / Under pricing

Festival programmers will look out for over pricing AND under-pricing: festivals expect people to be paid and don't want to encourage poor practice. Looking at the fee in relation to how many people are on the road is one of the ways to evaluate the costing of a show.

## TIPS

- Don't make assumptions that because one festival can cover a cost that it is easy for the others (e.g. one festival may have a hotel deal and it is easy to cover accommodation, volunteers)
- Allow enough time for changes - late notice to provide something extra can be really hard (e.g. a stage or a lift).
- When making a new show get advice on how to tour with a structure, think of additional safety requirements (e.g. Structural engineer reports)
- Try to mention all costs in advance (e.g. arriving the night before – additional hotel costs, leaving set up overnight – additional fencing and security costs)
- Make relationships with programmers.
- Get advice from experienced artists on how to set up your budget.