

An independent financial risk review by CJM shows a conference board they will be facing at least a £35,000 deficit,

Client – A European Medical Society.

Project – The Society had decided that its next conference was to be held in Glasgow and a third party conference Management Company would be used as central to the delivery, they in turn would also work with the Society to provide budgeting information.

Issue – The budget had been worked on by the conference board with considerable input from the third party provider and the total cost was estimated at £250,000. On reflection the board came to CJM and asked if they would perform an independent financial review on the project to ensure that the budget was robust, that the third party forecasting was accurate and if there were any areas of financial risk, as due to the construct of the conference company any losses would be owed by the directors.

Resolution - CJM does not have knowledge of the conference industry, however fundamentally budgeting is the same no matter if you are building an IT infrastructure, a motorway or a conference. Using the Pathfinder methodology as its foundation and as the basis for an analytical tool set, CJM quickly understood the Societies conference requirements, gained knowledge of the conference operation and reviewed every aspect of the conference budget. The review covered attendance numbers, third party costs, pricing strategy, web site build and running costs, administration charges, ecommerce requirements and all other additional costs.

Result – CJM considered the cost base and budget from a number of angles and held regular telephone meetings with members of the conference board. Through investigating the Third Party supplier budget a number of items were at high risk of scope creep and had not been included in the final budget, the pricing strategy was found to be miss-guided and as the result, breakeven was all hinged on a large number of non-pre booked guests paying a high “on the day” attendance fee. In summary after review the re-forecasted budget showed an expected loss of at least £35,000, which would have had to have been funded by the Directors.

Learning’s – Too many organisations leave their financial future in the hands of either well meaning Treasurers or in Third Party service providers. To ensure that the financial and governance processes are in place and an experienced eye has had the chance to review financial plans it is best to bring in an external advisor – the alternative is some very expensive learning’s for those involved.



CJM Project Financial Management Ltd utilise our own developed and copyrighted Project Financial Management Methodology - Pathfinder™. Our core Pathfinder Methodology was built after working for 13 years within FTSE 100 companies, having a 100% success rate in working with those programmes to achieve on-target delivery of cost against budget. This success was delivered by working with the project, developing personal techniques into a successful way of working, robust governance and control, focused reporting, direct communication and strong relationship building.

Company No. SC348264

For further details contact us on 01563 551 421 or info@project-financial-management.co.uk