

What is your decision

[Business](#), [Management](#)



As a Sales Manager, should I go to the MAGIC trade show or not? Before deciding whether my company will attend the MAGIC show in Las Vegas or not, the economic factors should first be considered to reach at a decision which is not only economically grounded but reasonable as well. To arrive at an economically sound decision, the cost associated in attending such trade show must be weighed against its benefit to determine whether I should go or not in the trade show. The cost benefit analysis before going to the trade show are as follows;

Cost

Booth Cost @ \$60, 000 per show

Summer show\$60, 000

Winter show60, 000

Total Booth Cost\$120, 000

Other cost

Personnel Costs

Manpower requirement = four people + sales personnel

Costs associated with manpower

Transport, billeting and other incidental expenses

Salary of four people + sales personnel

Potential Income

YearSales

2008 :\$82, 000

2009: 67, 000

Decline rate in terms of dollar value\$ 15, 000

Decline rate in terms of percentage (15, 000/82, 000) 18. 29%

2010: \$59, 000

Decline rate in terms of dollar value\$ 8, 000

Decline rate in terms of percentage (15, 000/82, 000) 11. 94%

Average decline in sales in dollar terms ($\$15, 000 + 8, 000 / 2$)= \$11, 500

Average decline in sales in percentage (18. 29%+11. 94%/2) = 15. 12%

Interpretation

Based on the historical decline of orders from 2008-2010, it is expected that attendance in the Las Vegas MAGIC show will only yield a \$47, 500 orders (\$59, 000 – 11, 500).

Comparing it with the cost of maintaining the booth which is \$120, 000 in addition to the costs associated with personnel who will make the booth operational, it will be economically unwise to attend the Las Vegas trade show. The decision is a no go for the Las Vegas show.

The MR (men's) Exclusive Show Concurrent with Magic

The MR exclusive show which is concurrent with the Las Vegas Magic show costs 25% less. That will translate to a \$ 45, 000 a booth totaling to \$95, 000 for two shows. It almost has the same market with the Las Vegas Magic show but the cost still cannot justify the projected orders. The projected yield of orders from trade show based on historical performance is only \$47, 500 and the cost associated with it is \$95, 000 (and it does not include personnel cost).

The decision for MR Exclusive Show is still a no go. The cost cannot justify the projected orders. As a Sales Manager, I will look for other advertising avenues where I can promote my products at lesser cost that would yield higher orders.