



VENUE MANAGEMENT SCHOOL

105

In House vs. Contract Services

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Venue Management School – Year 1

June 2026

Action Item Form

Don't forget to
make notes on
your Action
Item form.



Venue Management School

JUNE 2023

MY ACTION ITEMS

Year 1

Name: _____ Class: _____

Use this form to record one or two items that you can take action upon that are inspired by the presentations and courses. Your completed Action Items form will then serve as a follow-up "TO DO" list for when you return to your venue.

101 Labor Relations Phil Jordan

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Course Learning Objectives



Understand the differences between in-house and contracted services



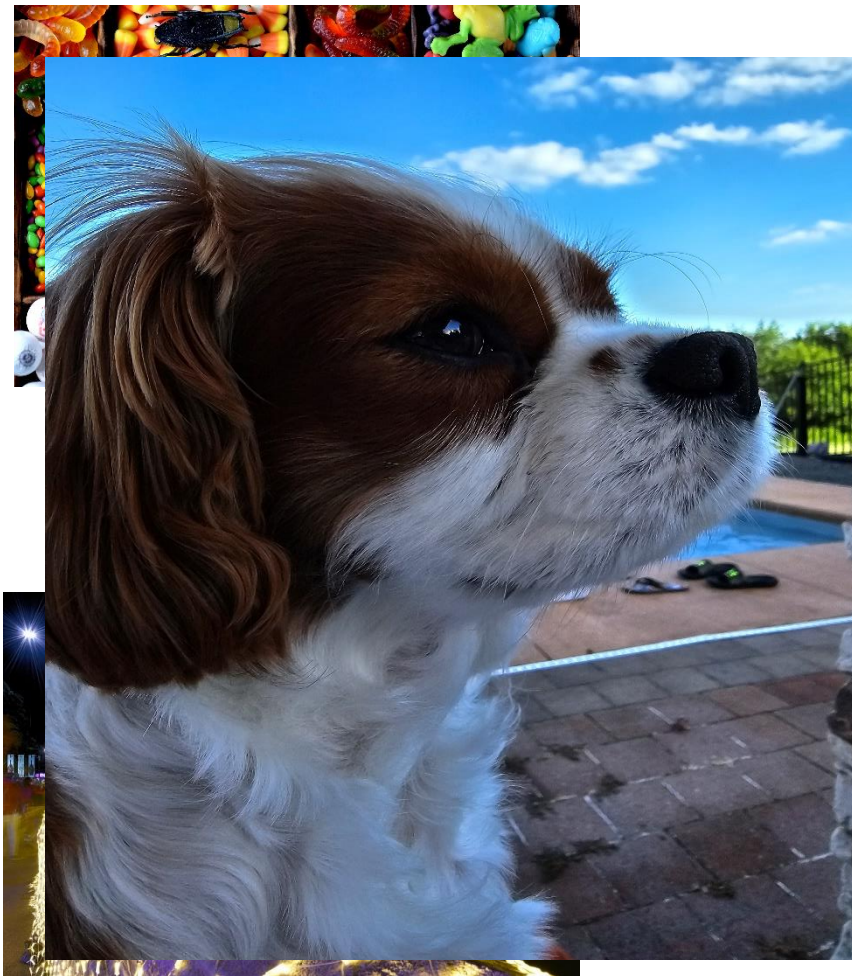
Identify when in-house or contracted services may be the best decision



Analyze the advantages and disadvantages of both in-house and contracted services



Justify the choices made between both operating structures (in-house/contracted services)



In-House vs. Contract Services

Introduction.....	●
Fit for Purpose/Assessing Needs	●
Which is Right for Your Venue	●
The “WHY”	●
EOI and RFP Processes	●
Myths and Misconceptions	●
Class Activity - Scenario	●
Review Learning Objectives	●

Introduction



Definitions

- **In-House:** refers to operational functions and roles that are managed and executed by the venue or organization's own employees.
- **Contracted Services:** involves the outsourcing of specific and agreed upon functions to third party vendors or service providers.

Breakdown of venues from the class.

Is there a consistent answer to "which is best"?

How could market pressures, politics and industry trends impact which is perceived to be better?

Bottom line is the "right answer" is finding what is best for your specific situation (venue).



Fit for Purpose

Refers to the degree to which a product, service, or process meets the intended requirements and expectations of stakeholders.

What helps define it?



What is best?



What do you need?



Critical Steps



What will be the
impact to others?
ICA Example



Must be honest and
remain open
minded!

Group Activity / Discussion #1

Scenario:

- Large arena in a tertiary market
- Market overperforms and gets a lot of shows in part due to in-house stage crew.
- Not a lot of labor options; Struggle to get proper staff numbers for extra large events (most use this as a second job).
- Groups will do a brief SWOT analysis for staying in-house or contracting out



Strengths

What are the benefits of using your own team?



Weakness

What are the limitations?



Opportunities

What can you do to invest into your in-house team and community?



Threats

What risks do you take for not contracting out?

What Types of Services Are Considered?

- | | | |
|--------------------------|----------------------------|---------------------------|
| ✓ Advertising | ✓ Elevator & Escalator | ✓ Parking |
| ✓ Audio / Video Services | ✓ Event Services | ✓ Security |
| ✓ Catering | ✓ Housekeeping / Custodial | ✓ Sponsorships |
| ✓ Concessions | ✓ HVAC | ✓ Stagehands & Production |
| ✓ Decorating | ✓ Marketing | ✓ Ticketing |



Internal Assessment and Wants...the “WHY”



In-House

Contract

Which is right for your venue?



PROS

CONS



In-House

Pros

Control & Oversight

- Staff are yours (selection)
- You set and can change standards
- Ultimate flexibility
- No contractual term

Facility Culture and Knowledge

- Venue culture understood and "lived" by entire team.
- Deep familiarity with venue (equipment, layout, guests needs)

Team Integration

- More embedded in organization, which may lead to better communication and collaboration

Cons

Fixed Costs

- Salaries, benefits, training, equipment
- Thin budget can result in poor maintenance

Supervision Needs

- Requires extensive mgmt. and supervision
- Can lead to complacency

Skill Gap

"MAY" lack specialized expertise for certain technical or high risk functions (rigging, security, etc.)

Test Your Knowledge

The best possible way to provide services to a public assembly venue is keeping it in-house

☐ True

☒ False



Pros

Capital Investment

- Will have access to capital to be invested into the venue/operations that can provide an ROI for both
- **PSU Example**

Cost Efficiencies

- Fixed or guaranteed pricing structure
- Lower overhead costs (especially for seasonal venues)
- Purchasing power

Transfer of Liability and Accountability

- Liabilities like alcohol service, labor employment laws
- Workman's comp, insurance

Contracted

Cons

Contract Term

- Length and terms of the contract, impact at the end of the term
- Renewal clauses

Inflexibility

- Can result in unbudgeted variations
- Need to focus on making money back

Communication

- Coordination between venue staff and external teams can lead to delays or gaps in service delay.

Test Your Knowledge

Which is a positive aspect of using a contract services vendor?

- ☒ **Costs are fixed over the term of the contract**
- ☐ **Length of contract (term)**
- ☐ **Always reduces costs**
- ☐ **Offers flexibility**



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Test Your Knowledge

A benefit of providing services for contracted services, is a venue mgr's ability to set standards and flexibility to suit their budget needs

☐ True

☒ False



Expression of Interest vs. Request for Proposal

Key Differences		
	Expression of Interest (EOI)	Request for Proposal (RFP)
 Purpose	To gauge interest and identify capable vendors	To solicit detailed proposals for a defined scope of work
 Stage	Early in the procurement process	Later in the process, after venue needs are clearly defined
 Detail Level	High level overview of vendor(s) capabilities	Detailed technical, financial and operational requirements
 Outcome	Shortlist of qualified vendors	Selection of a vendor for contract award

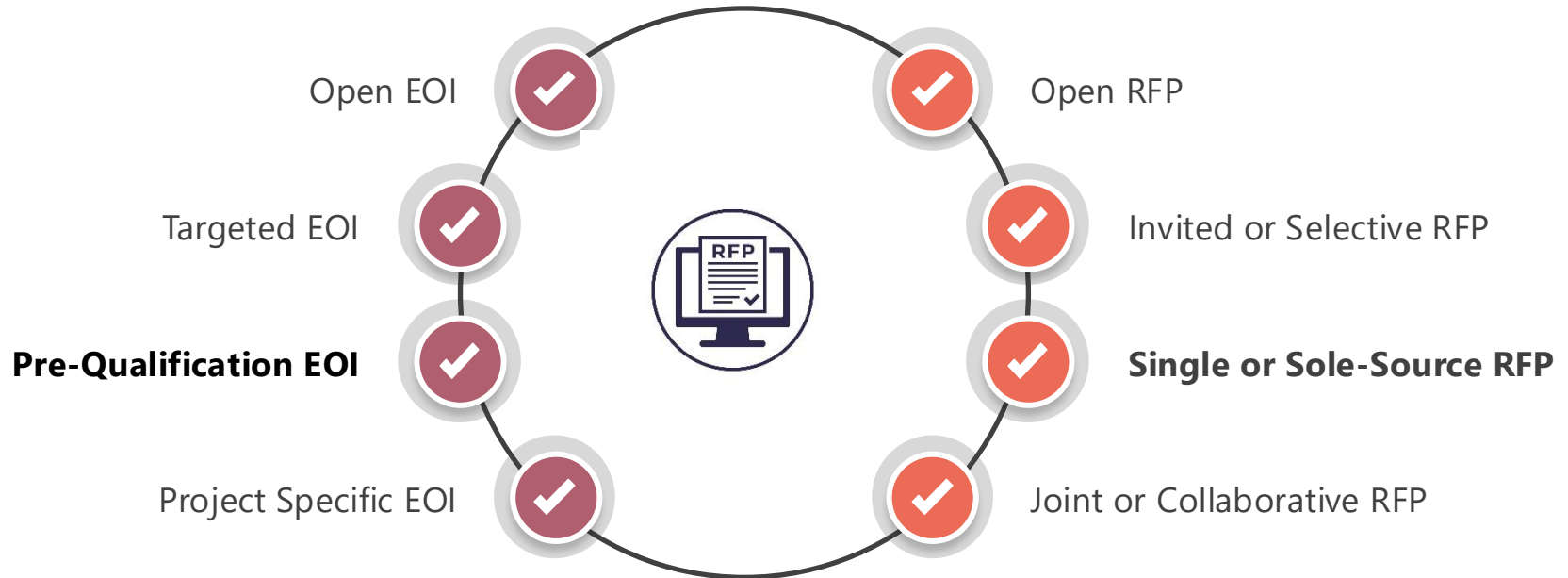
Types of EOI's and RFP's?



EOI Types



RFP Types



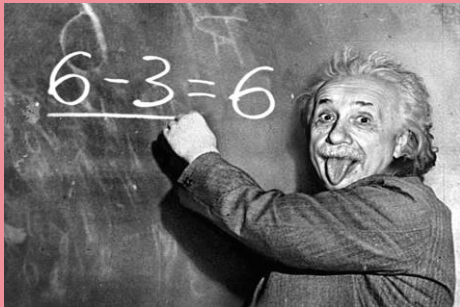
Benefits of Utilizing the EOI or RFP Process



The “SMART” Approach

Works best if a venue identifies:

- *What are all of the venues' needs*
- *What benefits they want to establish*
- *Specifics (customization) of RFP to eliminate or reduce potential liabilities*



Benefit #1



Business Clarification

Defines requirements, scope of work, timelines and evaluation criteria

Benefit #2



Transparency & Accountability

Documents process and helps ensure fairness.

Benefit #3



Best Fit?

While cost may be the most important factor for many venues, this also allows venues to evaluate other things like experience, cultural fit, etc.

Benefit #4



Competitive Bidding +

Invites multiple vendors which creates a healthy competition and other factors. More than you bargained for? **ATT example**

Test Your Knowledge

Using contracted services always reduces costs and provides great flexibility

☐ True

☒ False



RFP Process (Helpful Data)



Venue History

- Events
- Attendance
- Tenants



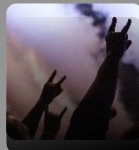
Projected Attendance and Special Events

- Upcoming events and sales
- Trends?
- Specialty and unique events or anticipated change in total events



Expected Capital Investments

- Current equipment (if applicable) contractor may use, repair or ultimately replace
- Expected capital investments (timing of those investments)



Current Commissions / Financials

- What are the current per caps
- Are there exclusive sponsorships that could impact things?

Criteria Questions for the RFP Process

Must Ask Questions and Topics

- ☐ **Industry Experience** - What is the vendor's industry experience?
 - ☐ **Assessment Criteria and Assessment Sheets** - Establish specific and measurable criteria. Be clear on value and need!
 - ☐ **Manage and Supervision** - What levels of management and on-site supervision will the vendor provide and support?
 - ☐ **Provided Labor** - What is the vendor's labor pool/supply and where are they coming from?
- Example**



Criteria Questions for the RFP Process

Must Ask Questions and Topics (Continued)

- ☐ **Training** - What is the vendor's commitment to training and who is financially responsible for creating and delivering the training?
- ☐ **Operational Reporting** – What tools will be in place to monitor performance on a daily, weekly, monthly basis?
- ☐ **Establish KPI's** – What key performance indicators are important to your specific venue? Be careful on using ones from other venues (or using a general AI search)
- ☐ **Flexibility** – Ensure flexibility for YOUR operations and encourage the vendor to extend their deliveries and boundaries.



Assessing Needs

Assessment Item	Potential Points	Rater # 1	Rater # 2	Rater # 3	Rater #4	Average Total
Availability of Labor	10					
Capital Needs	10					
Costs/Budget	10					
Customer Service	10					
Expertise	10					
Liability	10					
Political Environment	10					
Quality Control	10					
Staffing/Mgmt	10					
Training	10					
Total	100					

Test Your Knowledge

During the selection process, industry experience should only play a small role in the evaluation process.

☐ True

☒ False



Test Your Knowledge

Which factors can impact a vendor selection process?

- ☐ Local Politics
- ☐ Industry Norms and Trends
- ☐ Existing Relationships
- ☒ All of the Above



Truth or Misconception: The Three C's

Topic		Question	Discussion		Answer
			Truth	Misconception	
 Costs		• In-house services are more costly than contracted services?	?	?	 Depends
		• You make more money by keeping things in-house?	?	?	 Depends
 Control		• You have less control involvement and control with contracted services than in-house	?	?	 Depends
		• You have no control over the selection of employees with a contracted service provider	?	?	 Depends
 Conflicts		• Contracted services providers will negatively impact venue culture and create conflicts.	?	?	 Depends
		• Double standards will be created by how contractors treat their employees vs. how internal employees are treated?	?	?	 Depends

Identifying Other Opportunities (not \$\$) in the RFP Process

- | | | |
|--|--|--|
| ✓ Naming Rights (OVG posts) | ✓ Venue sponsorships | ✓ Value of respected partner |
| ✓ Internal and External Signage | ✓ Capital investments | ✓ Systems and Business intelligence |
| ✓ Corporate Expenditures (premium seating) | ✓ Marketing and promotions | ✓ Recruiting of and use of existing talent |
| ✓ Increase in concerts, shows | ✓ Expertise in one (or more) areas of the business | ✓ Allocation of costs |
| ✓ Increase in number of corporate events | ✓ Increased buying power | ✓ Training and liabilities |



"RE"member: During the Process





Group Activity #2

Scenario (refer to handout):

- Hart Center (convention center) operated by public authority
- Fed Gov't cut all funding impacting closure of town's main employer
- Plenty of skilled and unskilled labor
- Venue needs upgrades
- Population continues to increase despite closure.
- Seasoned staff; challenges with Exec Chef



Create and discuss
list of at least 3
pros and cons for
staying in-house or
contracting out.



Biggest Factor in
making your
decision



What is the final
recommendation?

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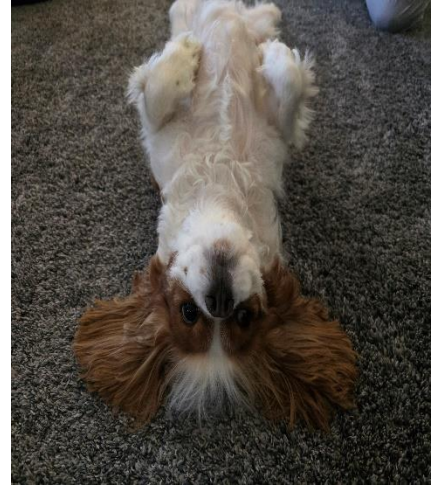


Thank you!

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*Please complete the course
evaluation now.*

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