

Entrepreneurs

Eved Aims To Shake Up The Event-Planning Biz

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It's work to plan a corporate conference, and the smallest tasks are often the biggest headaches. That's why Talia Mashiach launched Eved Services in Chicago. Eved (the Hebrew word for "servant") brokers and bundles the offerings of dozens of vendors, minding the tiniest details for clients like Ernst & Young, IBM and Morgan Stanley. In May 2008 Eved orchestrated a one-week pharmaceutical sales-training retreat for which it arranged transportation for 4,000 reps, secured dinner reservations at 50 restaurants and hired a balloon company, a florist and a ticket broker who corralled seats at a rooftop party across from Wrigley Field in full view of a Cubs game.

Headaches create profit opportunities. Last year (a brutal one for the hospitality industry) Mashiach's 37 employees pulled in \$7.5 million in revenue, down 16% from 2008, with a profit margin, before interest and taxes, of roughly 25%. But Mashiach, 32, has had bigger plans all along: "So much of the work is done manually that I knew if we could come in with a solution to make it easier, the opportunity would be huge," she says.

Over five years Mashiach invested \$5 million in a Web-based software platform, unveiled in December 2009, designed to simplify everything from sourcing vendors to filling orders. The software serves as a directory of suppliers, including their services (florists can post photos of their bouquets, entertainment vendors can load audio files of their acts), liability insurance and prices. Having all the data in one spot will let planners whip up proposals within hours instead of a week. (Just being able to track liability insurance is a huge help: Mashiach used to torch \$20,000 a year chasing paperwork on nearly 200 vendors, who tend to update their coverage annually.) Come April, the software

will also let corporations and planners pay for services over the Web. Limited searching of the database is free, but access for serious users runs \$750 a year plus transaction fees, paid by sellers, of a couple of percentage points.

To seed the database, Mashiach aims to snag a few big buyers of services who will demand that their suppliers sign up. One believer is Fay Beauchine, president of events at Carlson Marketing, a 300-person planning company in Plymouth, Minn. that deals with 2,400 vendors. Carlson can't efficiently track vendor payment history; having that information on hand could allow it to extract better pricing and payment terms. Beauchine aims to have her whole network using Eved's software within the next six months: "We feel comfortable making them engage with the system if they want to keep working with us," she says.

Software, when it hits, delivers serious scale. While Mashiach needs one body to handle 200 events today, she figures she can push that ratio to one and a few thousand. This year she plans to add 15 employees: 10 software developers, 2 salespeople and 3 product managers to train customers on the program. Eved's old service side (now mainly run by Chief Operating Officer Heather Bailey) will live on, but Mashiach has no plans to expand it. Says she: "The CEO needs to focus on the future, not simply running a business."