

# ***EVENT MANAGEMENT HANDBOOK***

## **Background**

This handbook has been developed by a team of staff from partner institutions including Varna Free University “Chernorizets Hrabar” VFU (Bulgaria), Fundacion Universidad Empresa Region De Murcia (FUERM), Spain, Klaipeda Business and Technology College (KBTC), Lithuania and Liverpool John Moores University, United Kingdom. Each has taken advice and guidance from both academic and industrial bodies in the development of such. The handbook assists with the updating and development of staff involved in the Organisation, Planning and Implementation of Events.

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## ***Introduction***

The events industry is a complex, dynamic environment and as such the aims of the handbook and future interactive workshop(s) are to ensure that individuals working in the area of Events Planning, Organization and Implementation are:-

- Current in their knowledge of theory within the field and can apply it in appropriate professional problem solving event situations.
- Able to propose and evaluate solutions to problems arising in a professional events planning context.
- Able to reflect on personal and professional practice and improve such within the field of adult education.

## ***Aims of the Project***

The aims of the project are to provide opportunities for participants to:-

- Learn in a mutually supportive environment that values the experience of participants and enables them to reflect upon, evaluate and value their own experiences.
- Examine and understand a range of theoretical perspectives that can be applied to improve practice and enable participants to be more effective practitioners in Events Planning, Organization and Implementation within both their own organizations and countries.
- Develop skills, knowledge, and experience in Organization, Planning and Implementation of Events, and through analysis, develop programmes of actions that are responsive to and anticipate changing circumstances within their own real world environments.

## ***Objectives of the handbook***

The objectives are to:

- Demonstrate an understanding of relevant theory and how it can be usefully applied to organizations wishing to hold an event to improve practice
- Identify the essential issues within the organization, planning and implementation of events and the relevance to their particular roles and responsibilities
- Monitor, review and evaluate the processes and outcomes of new perspectives on the management of events
- Provide a flexible and coherent framework that assures the quality of the academic rigor and management of the workshop(s).
- Provide contemporary information to the needs of individuals and organizations.
- To add to the learning experiences and knowledge base of both individuals and thereby their organizations.

## ***Rationale and design***

The handbook seeks to meet the updating needs of event planners and organizers. It will provide an essential support to practitioners in the field of event related management.

The handbook consists of chapters, activities linked to appendices and relevant related additional resources including websites. The chapters within the Handbook will form a complimentary, broad based approach to the issues and concepts to be addressed at the present time. This allows sufficient flexibility so that the project can be customized to meet the needs of individuals and organizations.

The specific content of each delivery / workshop will vary dependent on the participant country and market context. Detailed versions of the core issues will differ as they are developed to cater for these markets and needs.

## Chapter 1. Event Planning Models

### 1.1 Event Definition

Event definitions give us a starting point from which to progress. Many of the definitions below are from academic / practitioners and do assist in that they can give focus and clarity. They are however contentious in their nature, but do assist practitioners in engaging and debating with the subject matter.

“Events are temporary occurrences ... They have a finite length, and for planned events this is usually fixed and publicized.” (Getz 1997, p 4)

Getz (1997) further comments that “events are transient, and every event is a unique blending of its duration, setting, management, and people”.

Within this quote, key words are evident and will be explored in further detail in future chapters. It does however note the blending and linkages between the disciplines of management, time, staff, attendees (people) and venue(s). Underpinning all will be the planning and organising of these resources.

“A unique moment in time celebrated with ceremony and ritual to satisfy specific needs.” (Goldblatt, 2005)

With regard to special events it is suggested that there is no one standardised definition as opinions vary. Due to such lack of clarity, definitions from the perspectives of both event organizer and guest are used.

1. A special event is a one-time or infrequently occurring event outside the normal program or activities of the sponsoring or organising body.
2. To the customer or guest, a special event is an opportunity for a leisure, social, or cultural experience outside the normal range of choices or beyond everyday experience. (Getz, 1997, p.4)

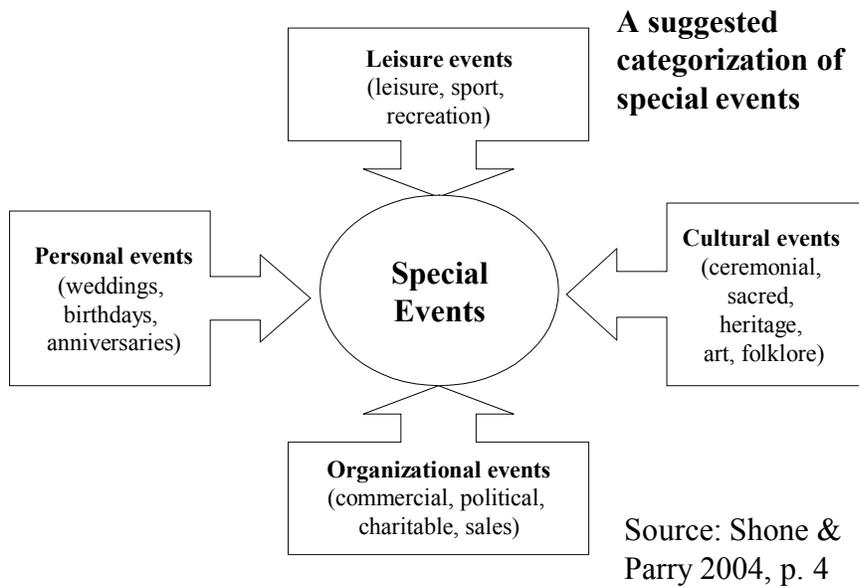
“Special events are that phenomenon arising from those non-routine occasions which have leisure, cultural, personal or organizational objectives set apart from the normal activity of daily life, whose purpose is to enlighten, celebrate, entertain or challenge the experience of a group of people”  
(Shone & Parry 2004, p. 3)

#### **Activity - ⌚ Time 10 Minutes**

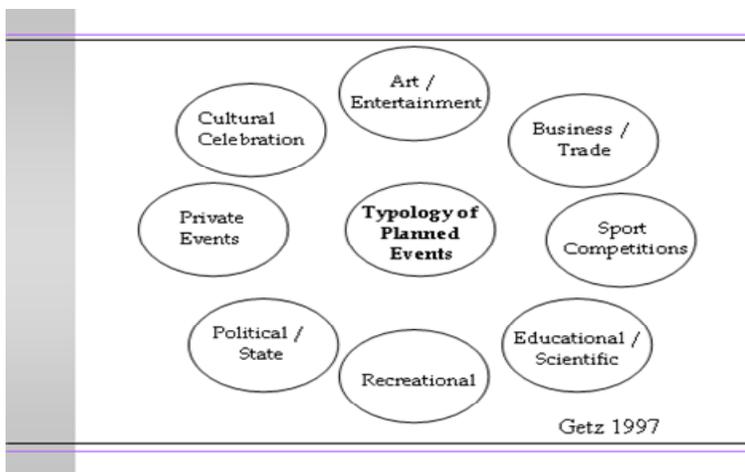


Come up with your own definition. Which key words do you utilise?

-



## Typology of events



### **Activity - ⌚ Time 10 Minutes**

From Getz's typology of events give some specific examples under each of the above headings. For example under (cultural celebrations) you could suggest:

- festivals
- parades
- religious events

Further definitions.

- “Major events are events that, by their scale and media interest, are capable of attracting significant visitor numbers, media coverage and economic benefits“.  
(Bowdin et al 2001 p.18)
- ... ‘Hallmark events’ refers to those events that become so identified with the spirit or ethos of a town, city or region that they become synonymous with the name of the place, and gain widespread recognition and awareness”.  
(Bowdin et al 2001 p. 17)
- “Major one-time or recurring events of limited duration, developed primarily to enhance the awareness, appeal and profitability of a tourism destination in the short and/or long term. Such events rely for their success on uniqueness, status, or timely significance to create interest and attract attention” (Ritchie 1984, p.2)
- “Mega-events, by way of their size or significance, are those that yield extraordinarily high levels of tourism, media coverage, prestige, or economic impact for the host community or destination” (Getz 1997, p.6)
- “Mega-events are those events that are so large that they affect whole economies and reverberate in the global media. These events are generally developed following competitive bidding.” (Bowdin et al. 2001 p. 16)

# Event categorization

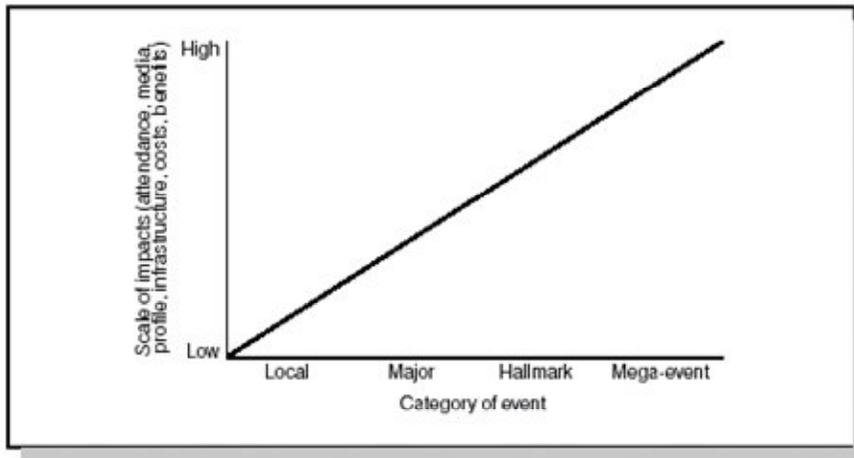


Figure 1.1 Categorization of events

Bowdin et al. (2001)

## Conclusion

1. Special events occur outside the normal program.
2. Hallmark events provide high levels of visibility to the community.
3. Mega-events achieve extraordinary levels of visitors, media coverage, prestige or economic impact.
4. Various criteria can be used to “pigeon-hole” events.

## **Additional definitions - Business Tourism and MICE.**

There is a lack of an accepted and properly defined terminology within the events industry, and there is debate over the term “business tourism” as an appropriate term to describe the sector which envelopes conventions, conferences, exhibitions and incentive travel (Rogers, 2008). The term is generally accepted in Europe, but in other parts of the world, for example Australia the term “business events” is recognized.

The acronym “MICE” (Meetings, Incentives, Conferences, and Exhibitions or Events) is also used. In Canada the term MC&IT- meetings, conventions and incentive travel is utilized. The area is heavily laden with such terminology and language which does make the study of such and debate within the industry sometimes confusing.

## **1.2 Event Models and the Management of the Events Process**

The aim of this chapter is to provide an understanding of the processes involved in event management. Participants will consider relevant theoretical perspectives on events management and apply them to their own workplace and event contexts. It will give consideration to the main techniques available to the event manager in creating, proposing, planning and managing a variety of events.

Models are an initial useful starting point and can assist in a more structured and ordered approach to the planning of events. There is no one model which fits all. It is for the event organizer to perhaps select and engage with a model he / she finds useful, and one which they can understand, share with their colleagues / stakeholders and add to or detract from.

These models are not set in stone, they need to be reviewed, but they may well assist as a reference point. As a visual representation of the key areas of the event planning process they may well assist in an overall perspective of the process, which can be broken down into both specific and inter – related parts. It is suggested that you can formulate your own event planning models. What works best for you and your organisation is the key.

The event planning models do assist with planning. In the fast moving world of events with perhaps ever decreasing planning time, shorter lead in times and a more competitive environment it is vital that organisations utilise and maximise all their resources efficiently and effectively and manage and control their time management. Planning and the utilisation of event planning models may well be of assistance in this area.

### **1.3 Key Points of Planning**

## **Key Points on Planning**

- Successful planning ensures that an organization/event remains competitive.
- It creates ownership of strategies and communicates this to the organization
- It consists of establishing where an organisation is at present, where it is best placed to go in the future, and the strategies and tactics needed to achieve that position.

# Benefits of Planning

- It enables managers to detect and solve problems
  - Alternative strategies are highlighted for consideration
  - Staff responsibilities are clarified
  - Uncertainty about the future is reduced, thus minimizing resistance to change.
- 
- “Because of the unique nature of each special event, planning is a process that must continuously occur from the start of the bid [*initial idea*] until the end of the event [*evaluation and feedback*]”

(Catherwood & Van Kirk 1992 p. 5)

It is true that events can be staged without any formal planning or management structure. But as events become larger, complex and demand greater resources in terms of finance, people, time and expertise all the theories and techniques of business management can be applied.

## Activity - ⌚ Time 10 Minutes



What reasons do you feel you give for not planning.  
Prioritize your list.

- 
- 
- 
- 

Compare your list with others. Prioritize your list. Question if these are justified reasons or just excuses.

It is not possible to evaluate an event, or to judge whether it has been a success or not, without having set right at the beginning, criteria and objectives. Without these there can be no yard stick to measure performance. Measurement within events is key.

Researching stakeholders, clients, delegates, customer requirements and how to develop an idea into a package and ultimately into a well designed event should also develop a clear list of objectives. These are manageable steps of measurable achievement. They should be set, agreed and understood by everyone involved – this will lead to a clear focus, co-ordinated effort and unity of purpose.

A useful acronym to remember these objectives is SMART.

### **SMART Objectives for Events**

- **S**pecific to the event
  - **M**easurable in statistical terms
  - **A**chievable or **A**greed by those involved
  - **R**ealistic or **R**elevant to the resources available
  - **T**imed around the event schedule
- (Watt 1988, p 11)

### **Activity - ⌚ Time 10 Minutes**



Refer back in your mind, to an event you have been closely involved with from its original conception / idea

.....  
Consider and note down the stages that you went through right from the start to its final completion.

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Compare your list with others and theory. If there are differences, suggest the reasons for this.

**Activity - ⌚ Time 20 Minutes**

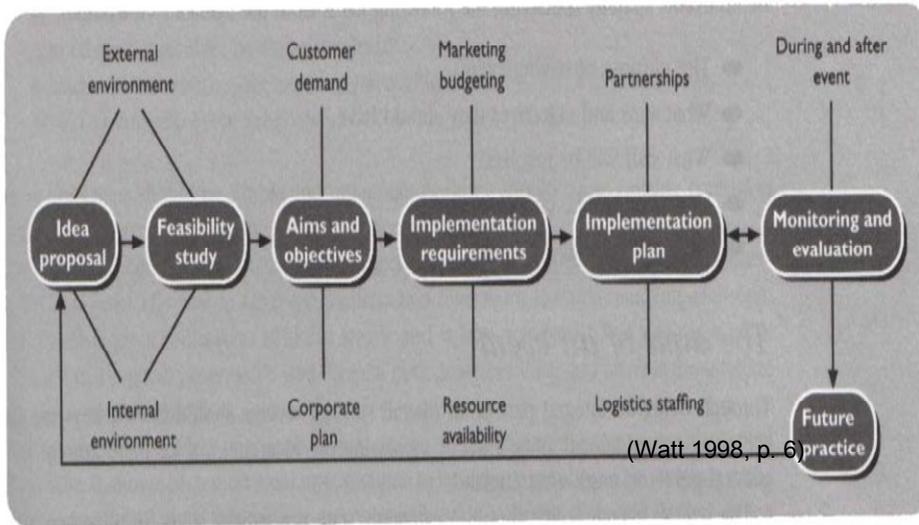


In an event with which you are / were familiar, set out your operations checklist. This should indicate every task that needs action. You should be able to group together all the main varied activities under generic headings.

A selection of Event Planning Models, are visually represented below. These models are from academic / practitioners from the United Kingdom, North America and Australia.

# The Event Planning Process

## Watt 1998

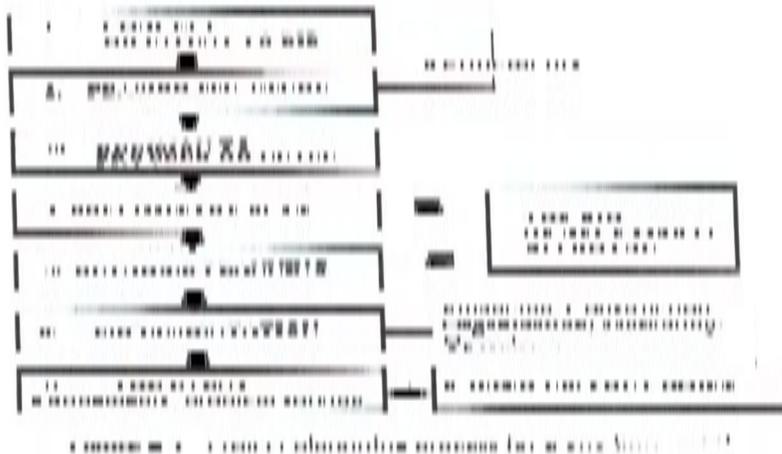


# The Event Planning Process

## Bowdin et al. 2001

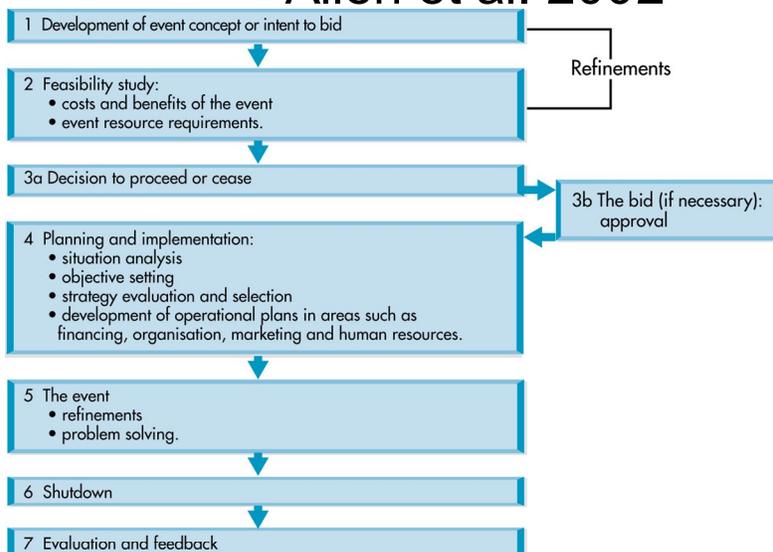


(Bowdin et al. 2001, p. 68, adapted from Robbins & Coulter 1999)



(Getz 1997, p. 76)

## The Event Planning Process Allen et al. 2002



(Allen et al. 2002, p. 99 after Getz 1997)

Review the 4 named event planning models.

Which are the key points which gain your attention?  
Will you adopt such or invent your own model?

### **1.4 Convention, conference organising**

It is vital that the convention programme meets and the overall event objectives. Each event will of course vary within content, location, delegate makeup, duration, style etc. There is however a trend toward a more business focus in addition to a learning, participatory focus.

**Activity - ⌚ Time 10 Minutes**



In small groups, list the questions you would ask to determine the purpose and focus of such an event.

- 
- 

\* Refer to Appendices for answers

Some of these answers may on the surface seem rather self - evident, but allocating time to research these issues can benefit your organization in terms of time management, focus and clarity and in the end ensure the event succeeds and repeat business is more likely.

Organizers need to spend more time on attention to programme / session design. Participants and potential partners from a variety of differing cultures are complex human beings with all the emotional baggage attached and so they do require perhaps a new approach to the organizing of their conventions, meetings.

Attention should focus also on the design of lunches, receptions, and other networking sessions in and out of the main scheduled convention, meeting times. If the event combines a business programme with a social; programme, the social itinerary will require planning and creativity from the organizer team in order to make the event memorable. Finding the right mix of convention speakers and participants is not easy and requires thought. Some further thoughts from industry have included:

The “Five D’s” of new meetings:

- Dialog rather than meeting;
- Dedication and involvement of participants;
- Design of format, agenda, and surroundings;
- Digital media;
- Dramatizing content.

(Copenhagen Convention and VisitorBureau (CVB), 2007)

The choice of speakers, workshop leaders is crucial and in many cases such a decision may be imposed upon the organizer by senior management. In such a case, the organizer’s role is to ensure that speakers are well briefed about the conventions aims and objectives as well as their own presentation.

- **Concise presentations:** The selection, briefing and fitting of presentations within the overall programme to timed deadlines is key.
- **Social integration and interaction** and sharing knowledge in small groups is important. Promote opportunities for interactivity, engagement. Maximize networking among participants.
- **Effective facilitation:** If a meeting is to introduce new learning techniques, it must be facilitated by a skilled moderator.

### Reading List

- Bowdin, G. *et al* (2007) *Events Management*, 2<sup>nd</sup> Ed, Elsevier Butterworth-Heinemann, Oxford.
- Getz, D (2007) *Event studies; Theory, research and policy for planned events*.
- Goldblatt, J.J. (2002) *Special Events: Twenty-first Century Global Event Management*, Wiley, London.
- Health & Safety Executive (1999) *The Event Safety Guide*, HMSO, London.
- Health & Safety Executive (1996) *Managing Crowds Safely*, HMSO, London.
- Rogers, T. (2008) *Conferences & Conventions: A Global Industry*, (2<sup>nd</sup> ed) Butterworth Heinemann.
- Watt, D.C. (1998) *Event Management in Leisure & Tourism*, Longman, Harlow.

### Useful Links

AEO - Association of Exhibition Organisers. <http://www.aeo.org.uk>.

AFO - Association of Festival Organisers. <http://www.afouk.org>.

Eventia – <http://www.eventia.org.uk>

NOEA - National Outdoor Events Association. <http://www.noea.org.uk>.

## Appendix 1. Convention and Conference organizing

### Activity - ⌚ Time 10 Minutes



In small groups, list the questions you would ask to determine the purpose and focus of such an event.

- 
- 

Compare your list to the points below.

- What is the purpose of event: To educate? Inform? Sell? Motivate? Celebrate?
- What are the client organization's underlying values?
- What are the tangible and intangible objectives? What return on investment is the client seeking?
- Who is the audience? What is the audience profile?
- Do attendees already know each other?
- What is the message?
- What image does the client want to create?
- What should happen in attendees' minds as a result of the event? How should

Participants feel as they leave the site, and what message should they take away?

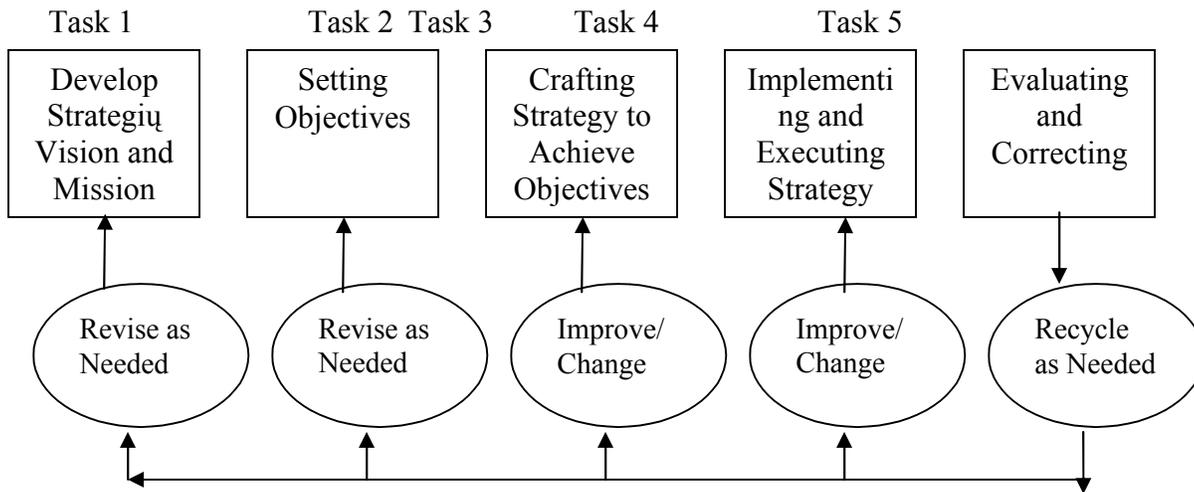
- What is the process for generating audience feedback?
- Is the event a part of a broader marketing mix? How will it incorporate the client's brand identity?
- When is the event? In what season, time of year does it occur?
- How many attendees will there be?
- What is the budget? Is the priority on décor, content, or a balance between the two?
- Is it a first event? If not, what is the event history?
- Who is the team? Who are the key contacts?
- Who are the partners, sponsors, and stakeholders?
- Where is the event taking place, and what are the specific site logistics?
- What does the client *not* want?

## Chapter 2. Successful Strategies

### 2.1. Process of Strategy Making

The event strategy in its implementation comprises all factors that determine the success of the event. In organizing any event five main strategy making steps should be followed:

The Five Tasks of Events Strategy



1. The aim of a MISSION STATEMENT is to specify the purpose of the events, the philosophy and values that guide it, and the scope of the business.

A mission statement must be:

- short, clear, understandable
- goal-oriented, provides direction and focus
- defines firm's domains of operation and criteria for success
- inspiring and motivational, gives employees a sense of belonging
- reflects the company's strategy

Example : Events of the „Sea festival“ in Klaipėda.

Mission: „to present to people of different ages and cultural demands an interesting and colourful pastime, offering them events on marine topics.

Vision: „to enhance by means of the popular festival the exclusive image of the port town of Klaipėda within Lithuania and abroad“.

2. Two types of objectives: financial & strategic
3. [Crafting a Strategy](#) to achieve performances: 5 approaches
  - Macroeconomic Analysis
  - Industry Analysis
  - Game Theory
  - Capabilities-Based-Strategy formulation
  - Dynamic capabilities and evolutionary thinking
4. Strategy implementation is fundamentally an administrative activity and includes the following components:
  - building an organization capable of carrying out the strategy successfully

- establishing a Strategy-supportive budget
  - installing internal administrative support systems
  - devising rewards and incentives that are linked to objectives and strategy
  - shaping the corporate culture to fit the strategy
  - exercising strategic leadership
5. Doing the tasks of strategic management is an ongoing responsibility. Managers must constantly evaluate performance, monitor the situation, and decide how well things are going
- Altering the organization's long-term direction
- Redefining the business
  - Raising or lowering performance objectives
  - Modifying the strategy
  - Improving strategy execution

**Activity - ⌚ Time 10 Minutes**



Work out a mission and a vision of the traditional holiday of your town.

**2.2. Strategy Contents**

As in many business or life activities it is very important to raise a few questions before the strategy of the event is devised. Answers to fundamental questions are to given as what is to be done, why this way or other before it is clear if the event is feasible at all. They should start from the simplest and proceed to more complicated which could be if necessary applied to more complex events. According to Saunder some of them are following:

- Firstly, why must we organize the event?
- Is that the best way to achieve what we want to achieve?
- What exactly shape will the event which we are seeking for assume?
- Is there anything to choose from? If so then what shall we pick out?
- When are we planning to organize the event?
- Have we agreed it with directly related persons?
- Have we arranged it with TV companies or concerted with the country's Art Calendar regarding participation of their representatives?
- Where will our event take place?
- Have we really suitable conditions for it?

- Or it should be better arranged elsewhere where there are more suitable facilities for it?
- If the place we shall use will provide everything we need?
- What way can we achieve it?
- Is it possible to dispose of the event mechanisms so that they assure its successful completion?
- How much will organization of the event cost?
- Where shall we raise the money?
- Who will undertake it?
- Who will attend it?
- Who will watch it?
- Who will take part in it?
- Who will pay?
- Will the media be interested in it?
- Will the sponsors be interested in it?
- Will the politicians and authorities enjoy the event?
- How many events of the kind are there?
- What is our next step?
- What shall we start with?

Similar questions are asked by I. Pereverzin, the author of *The art of sports management*, p. 195.

#### *Why?*

This is the most important question when sports and pastime events are concerned. If there is no clear-cut reason and no complex of parallel aims such event should not be organized. There is no whatsoever point to do it just because there was one the previous year or it is a part of our calendar undertakings. It wouldn't be right for the lost time thus the event would rather be dismissed.

#### *What kind?*

Having decided that there is a serious ground for the organization of the event, the next follows as what form it should take. Should it be devoted to people of certain age and whether it suits the reason overall? Every detail of the event must be thoroughly elaborated and fulfilled to the end. An incorrect type of an event is as bad as an event without any reason.

#### *Where?*

The issue of availability of appropriate place and facilities for the event is of a great importance. It is also necessary that the place of the event should have extra rooms, medical services etc. A set of conditions must be elaborated in advance to assure that all necessary demands are fulfilled.

#### *When?*

The event time can be determined by many factors. In order to rouse a greater public interest and to avoid overlapping one should follow closely the local, national and international event calendars and assure that the site foreseen for the event is not occupied.

#### *What for?*

This is another essential question as if there are no people interested in the event there is no sense to organize it. The purpose of the event might be raising of funds or to enhance its publicity but generally speaking a factor of involvement should be present otherwise all attempts will come to nothing and the event will find no attention. It may happen that the event is held not for these people (in other words more for the organizers rather than for the participants) or is done to please the politicians even if it is an unsuitable time for the events of this kind. It is worth organizing an event if there is a group of participating consumers.

### *Under whose auspices?*

It may raise a number of problems since the event can be organized provided there is a strong group of organizers. This work is demanding therefore certain skills of the organizers are required no matter whether they are paid or voluntary. There is always some risk of failure when sport organization has no experience or right people skilled in the field. One should dismiss the idea that a group of people could organize an international championship of Europe or British Commonwealth after they had success in holding a local match.

No doubt there is a possibility to buy such service or advice but it can turn to be very expensive therefore the issue should be seriously considered at the very beginning of the budget building. Thus if you have no skilled organizer the event should be put out of your head.

### *Who will watch?*

There is a presupposition among those who are related to sports that once they hold an event everyone will be rushing to see it. But practically it is not so. Apart from the vividly great sports events like UEFA cup matches or Eurovision, elsewhere the number of participants is not large. To say the truth most of the potential participants watching sport events are scared away by the ticket prices

### *How much will it cost?*

It is a very important question but it is often not sufficiently analysed. In the first place the possible expenses should be calculated and if the income will cover them. Inability to estimate the budget thoroughly in advance is the recipe of headache or failure. One should be pessimistic about profit and realistic about expenses.

### *Who will lead?*

Is there a man or a group of men who can guide the organization towards the implementation of the idea to conceive, plan and bring an event to realization? Even in regular sport management circumstances it is not easy to find a leader who could rally an effective team capable of good performance in a strained atmosphere that heightens to a greater extent during the event.

### *Who will pay?*

Financing of sport events is an intricate problem especially of larger ones where it is particularly difficult to raise money for their realization. Therefore before taking the task it is essential to define all possible expenses and ways of how to cover them in advance. Many events failed in past for the reason that no serious budget calculation was carried out.

For example it is commonly thought that financing is quite possible though practically it is either very difficult or hardly feasible. The character of the event itself may be not necessarily attractive to the sponsors therefore one should not trust to off-hand success. There are people like local authorities, volunteers etc who willingly support such undertakings nevertheless the most important thing is that all financing sources should be clearly known in advance.

### **Activity - ⌚ Time 45 Minutes**



Group practice work. Teams of 4 – 5 men. To elaborate the strategy of your town traditional event.



With regard to the type and size of the event its separate elements receive a different degree of importance. If we expect a success it is necessary to evaluate its probable strategic factors: determination of its purpose and creation of the trademark; establishment of target groups, analysis of market potential; definition of cost, product and distribution politics; employment of sales, promotion, communications, advertisement potential; identification of PR instruments; determination of probable sponsors. Control tables that contain a collection of main ideas and sources that serve as an aid to creatively manage the event.

As an example (Holzbauer, *Event management psl.* 237):

Factors of success		Start: State:		
Responsible person:		Assistant:		
Determination of success factors:				
	Topic	Result	Who	When
	Targets			
	Target groups (composition)			
	Name of event (Trade mark)			
	Type of event, reason			
	Slogan			
	Logotype			
	Participating parties			
	Analysis of market opportunities			
	Marketing strategy, including: <ul style="list-style-type: none"> <li>• Product (event place, program, catering, servicing etc.)</li> <li>• Price (entrance, food, drinks etc)</li> <li>• Distribution (invitations, sale of entrance tickets etc.)</li> <li>• Communications (advertisement, promotion, PR etc.</li> </ul>			
	Sponsorship			
	Organization and realization of strategy			
	Management/control			
	Final report			
Executed:			Notes:	

Fill in „X“ the table of event readiness table

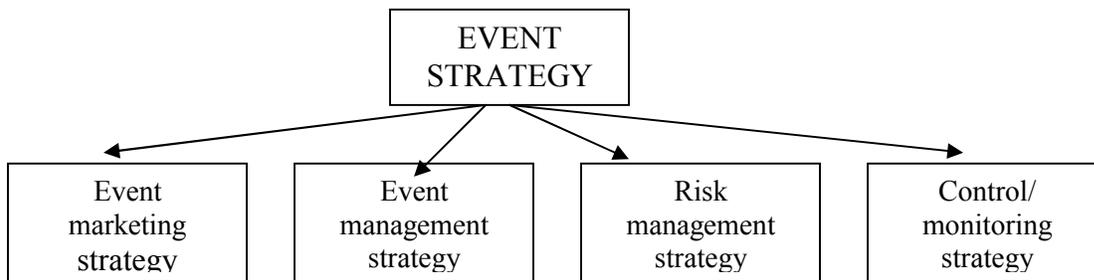
*Saunders*

Event table

<p>Event : _____</p> <p>Date: _____</p> <p>Time: _____</p> <p>Place: _____</p>
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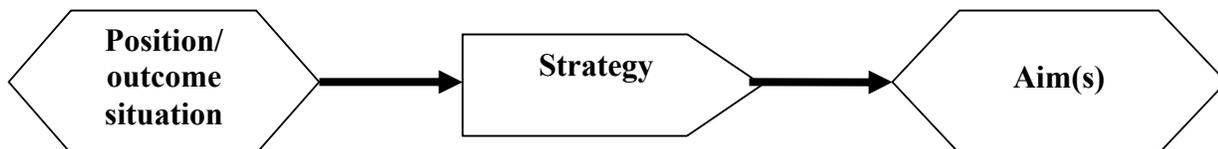
Number of people:  
 Premises: (available info)  
 Number of seats:  
 Decoration:  
 Marketing spots:  
 Music:  
 Entertainment program:  
 Requirements:  
 Communications:  
 Artists:  
 Information:  
 Expenses:  
 Food and drinks:

Consequently one can make conclusion that the event strategy is a component part of the sum of many strategies that can be represented by the following sketch:



### 2.3 Targets of the Event

Without perceiving the aim of the event (that is the strategy) there is no way for its achievement (pav. X)



*Event targets (Watt. Sports Management) p. 190.*

Many events failed because of wrongly set targets i.e., no strict reasoning of the event's dedication, its type and content, its target groups and their interests; in what aspect this event is different from others, what makes it exclusive etc.

Any event apart from its reason must have its aims. There should be three – five of them. They must be clear-cut and laid out so that we can plainly see and evaluate the success when the event is over.

The aims must be (Yeoman, Festival and events):

- exact
- measurable
- concerted
- comprehensible
- clear
- attainable
- real
- simple
- unambiguous
- timely

When we have gone through this list we shall have targets that will help to estimate our success when the event is over. It will help us very much to do the job constructively and systematically and in the aftermath our rate will be higher and our potential for similar future work brighter.

Our targets must be measurable. They should be divided into qualitative and quantitative:

- Qualitative targets: satisfaction of participants, setting, atmosphere;
  - Quantitative targets: number of participants, turnover of goods, profit.
- Quantitative targets like number of participants are easily reckoned. Qualitative indices like rate of enjoyment, satisfaction with the level of catering and services could be estimated by the number of complaints. Thus it is worthwhile to hold an opinion poll. If it is possible to define that there is demand for this or that service for the next events, it means that they were worth of investments. The sponsors also are interested that their endeavour input is evaluated and weighed.

**Activity - ⌚ Time 45 Minutes**



- Formulate the objectives of an entertainment event e.g. “Town holidays” and divide them into qualitative and quantitative.

Depending on the type of the event different objectives are raised to be set and achieved. For this purpose the control table of Holzbauer, Event management psl. 60) is recommended.

Definition of objectives		Start: State:			
Responsible person:		Assistant:			
Definition of objectives and methods of success estimation:					
	Topic	Result	Who	When	Nr.
	Target group, including: Geography (town/suburbs) Age Sex Income, education, profession Marital status				
	Activity field (catering, office, media)				
	Number of participants, event course, attendance distribution regarding time				
	Commodity turnover				
	Budget				
	Income/profit /result				
	Work with media				
	Contentment of participants				
	Methods of measuring the objective success (e.g. defining of participant flow by counting, commodity turnover, processing of profit data, marketing analysis, sampling of press material etc.				
Executed:			Notes:		

Practical work: devoted to a small Lithuanian town (e.g. Kretinga) because there is a great social gap between the bigger cities of Lithuania and smaller towns and townships. To invigorate the town social activities and to widen the range of recreational services we offer the following example:

Event Form

### **EVENT STRATEGY**

**Event:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Time:** \_\_\_\_\_ **Location:** \_\_\_\_\_

#### **Concept: What is this event?**

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#### **Why Are We Doing This Event?**

- To enhance **Kretinga** reputation/prestige among target audiences
- To demonstrate that **Kretinga** is a valuable asset to the given area

- To cultivate relationships with donors or other VIPs
  - To build connections with opinion leaders and key individuals
  - To inform audience about a specific area
  - To stimulate pride and involvement among audience
  - To create “buzz” about our brand in the given area
  - Other
- 

**Who Are Our Audiences?**

- |   |  |
|---|--|
| <input type="checkbox"/> Alumni                     | <input type="checkbox"/> Staff                     |
| <input type="checkbox"/> Trustees                   | <input type="checkbox"/> Media                     |
| <input type="checkbox"/> VIP Guests                 | <input type="checkbox"/> Government Officials      |
| <input type="checkbox"/> Prospective/Current Donors | <input type="checkbox"/> Friends of the University |
| <input type="checkbox"/> Students                   | <input type="checkbox"/> Opinion Leaders           |
| <input type="checkbox"/> Parents                    | <input type="checkbox"/> Corporations/Foundation   |
| <input type="checkbox"/> Faculty                    | <input type="checkbox"/> Other: _____              |

**What Is The Tone of This Event?**

- Informal \_\_\_\_\_
- Formal \_\_\_\_\_
- Other: \_\_\_\_\_

**What are our desired goals? (Metrics)**

- Audience attendance \_\_\_\_\_
- Guest feedback \_\_\_\_\_
- Donor contact \_\_\_\_\_
- Donor gift \_\_\_\_\_
- Other \_\_\_\_\_

**What is Our Message Focus? (please rank in order of importance)**

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

**Which of the Strategic Topics Could We Include in the Program?**

- Fine Arts and Humanities
- Biotechnology/Life Sciences
- Information Technology
- Diversity
- Undergraduate Education
- Environmental Education and Research
- Regional Economic Impact

Technology Cabaret (if so, contact Vardenis Pavardenis +370 XXXXXXXXXXXX)

**What is the role of the host/top university official (pres., provost, VP, etc)?**

Speaker

Moderator

Greeter

Guest

NOT attending

Other: \_\_\_\_\_

**Basic Agenda:**

- TIME - University staff to arrive and setup \_\_\_\_\_
- TIME - Guests arrive \_\_\_\_\_
- TIME - Program begins (breakdown from there) \_\_\_\_\_
- TIME - Program ends \_\_\_\_\_
- TIME - University staff leave \_\_\_\_\_

**Branding Properly:**

- Reference the identity web site: [www.xxx.lt](http://www.xxx.lt)
- For questions call Vardenis Pavardenis +370 XXXXXXXXXXXX

## Chapter 3. Event Marketing

### 3.1 Marketing Environment

An organization's success is influenced by factors operating in its internal and external environment; an organization can increase its success by adopting strategies which manipulate these factors to its advantage. A successful organization will not only understand existing factors but also forecast change, so that it can take advantage of change within the environments in which it operates.



#### Marketing Environment

Source: [http://www.marketingteacher.com/Lessons/lesson\\_marketing\\_environment.htm](http://www.marketingteacher.com/Lessons/lesson_marketing_environment.htm)

The marketing environment surrounds and impacts upon the organization. There are three key perspectives on the marketing environment, namely the 'macro-environment,' the 'micro-environment' and the 'internal environment'.

#### The micro-environment.

This environment influences the organization directly. It includes suppliers that deal directly or indirectly, consumers and customers, and other local stakeholders. Micro tends to suggest small, but this can be misleading. In this context, micro describes the relationship between firms and the driving forces that control this relationship. It is a more local relationship, and the firm may exercise a degree of influence. Micro environmental factors – These are internal factors, which the organization can control.

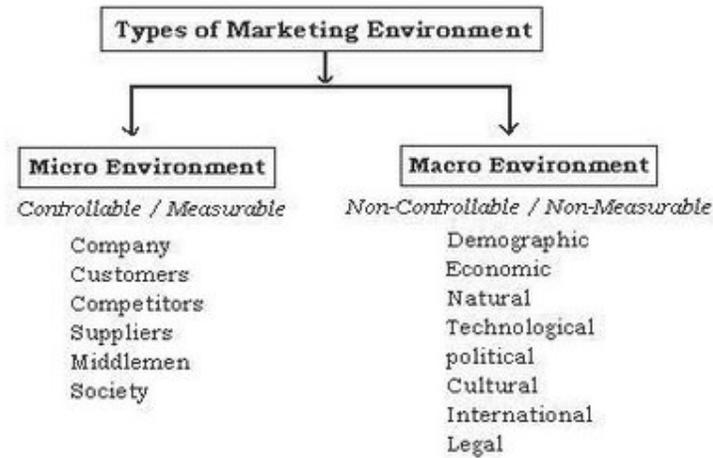
#### The macro-environment.

This includes all factors that can influence and organization, but that are out of their direct control. A company does not generally influence any laws (although it is accepted that they could lobby or be part of a trade organization). It is continuously changing, and the company needs to be flexible to adapt. There may be aggressive competition and rivalry in a market. Globalization means that there is always the threat of substitute products and new entrants. The wider environment is also ever changing, and the marketer needs to compensate for changes in culture, politics, economics and technology.

Pest Factors – These are external forces which the organization does not have direct control over these factors. PEST is an acronym and each letter represents a type of factor (Political, Economical Social and Technological).

**The internal environment.**

All factors that are internal to the organization are known as the 'internal environment'. They are generally audited by applying the 'Five Ms' which are Men, Money, Machinery, Materials and Markets. The internal environment is as important for managing change as the external. So, types of marketing environment could be: micro and macro.



**Types of Marketing Environment**

Source: Leonard F. Holey, CAE, CMP (2002).

**Activity - ⌚ Time 10-60 Minutes**



1. If we have little control over the macro environment, why should we be concerned with it?
  - 
  - 
  -
2. Why would two event organizations, one quasi-governmental, the other private, be influenced in different ways by the political environment?
  - 
  - 
  -
3. Make a PEST analyze of free taken services organization by free levels, local, national and global.

	Local	National	Global
<b>Political factors</b>			
<b>Economic factors</b>			
<b>Technological factors</b>			
<b>Social-cultural factors</b>			

**3.2 Event Marketing Mix**

The service marketing mix comprises off the 7'p's. These include:

- Product ;
- Price;
- Place;
- Promotion;
- People;
- Process;
- Physical evidence.



### Event Marketing Mix

Source: [www.smartdraw.com](http://www.smartdraw.com)

**Event Product** - It must provide value to a customer but does not have to be tangible at the same time. Basically, it involves introducing new products or improvising the existing products. Product Elements Managers must select the features of both the core product and the bundle of supplementary service elements surrounding it, with reference to the benefits desired by customers and how well competing products perform. product elements: all components of the service performance that create value for customers. It could be event programme, transport, accommodation, meetings ...

**Price** - Pricing must be competitive and must entail profit. The pricing strategy can comprise discounts, offers and the like. Event service managers recognize and, where practical, seek to minimize other costs and burdens that customers may bear in purchasing and using a service, including additional financial expenditures, time, mental and physical effort, and negative sensory experiences.

**Place** - It refers to the place where the customers can buy the product and how the product reaches out to that place. This is done through different channels, like Internet, wholesalers and retailers. Place: management decisions about when, where, and how to deliver services to customers. Customer expectations of speed and convenience are becoming important determinants in service delivery strategy. Places of events could be public non public, mass, individual, in the open air and in the building.

**Promotion** - No marketing program can succeed without an effective communication program. This component plays three vital roles: providing needed information and advice, persuading target customers of the merits of a specific product, and encouraging them to take action at specific times. In service marketing, much communication is educational in nature, especially for new customers. Companies may need to teach these customers about the benefits of the service, where and when to obtain it, and how to participate effectively in service processes. Communications can be delivered by individuals, such as salespeople and trainers, or through such media as TV, radio, newspapers, magazines, billboards, brochures, and Web sites ( <http://www.upas.lt/> ; <http://www.jurossvente.lt/> )

**People** - People refer to the customers, employees, management and everybody else involved in it. It is essential for everyone to realize that the reputation of the brand that you are involved with is in the people's hands. Many services depend on direct, personal interaction between customers and a firm's employees (like getting a haircut or eating at a restaurant). The nature of these interactions strongly influences the customer's perceptions of service quality. Customers often judge the quality of the event service they receive largely on their assessment of the people providing the service. Successful event service firms devote significant effort to recruiting, training, and motivating their personnel, especially - but not exclusively - those who are in direct contact with customers.

**Process** - It refers to the methods and process of providing a service and is hence essential to have a thorough knowledge on whether the services are helpful to the customers, if they are provided in time, if the customers are informed in hand about the services and many such things. Creating and delivering product elements to customers requires the design and implementation of effective processes. A process describes the method and sequence in which service operating systems work. Badly designed processes are likely to annoy customers because of slow, bureaucratic, and ineffective service delivery. Similarly, poor processes make it difficult for front-line staff to do their jobs well, result in low productivity, and increase the likelihood of service failures.

**Physical (evidence)** - It refers to the experience of using a product or service. When a service goes out to the customer, it is essential that you help him see what he is buying or not. For example-brochures, pamphlets etc serve this purpose. The appearance of buildings, landscaping, vehicles, interior furnishing, equipment, staff members, signs, printed materials, and other visible cues all provide tangible evidence of a firm's service style and quality. Service firms need to provide evidence of service manage physical evidence carefully because it can have a profound impact on quality, customers' impressions. In services with few tangible elements, such as insurance, advertising is often employed to create meaningful symbols. For instance, an umbrella may symbolize protection, and a fortress, security. (Lovelock Ch., Wright L., 1999).

**Activity - ⌚ Time 10 -60 Minutes**



1. Choose event service company you are familiar with and show how each of the seventh elements (7Ps) of integrated service management applies to the company.
  - 
  - 
  -
2. Give examples of how computer and telecommunications technologies have changed services that you use in your professional or personal life.
  - 
  - 
  -
3. Why is time so important in event services?
  - 
  - 
  -
4. Create event service product for sport or cultural festival.
  -

### 3.3 Marketing Strategy

**Market research.** We learned earlier that a key component of the sevens Ps of marketing is market research and analysis. Before one can effectively design and market an event, there is the need to determine the desires, expectations, and anticipations of the audience to whom that marketing will be directed. The event may be an original production—or a historic, traditional annual meeting—but research must be ongoing.

By researching markets in depth, the event marketer will be able to spot trends in time to respond to changing needs as well as to resolve small problems before they become major ones. As demographics, desires, and issues change, marketing must be on pace with change to address those market fluctuations in all available promotional media and marketing vehicles.

**Quantitative/qualitative research.** There are two basic categories of research instruments with which we should be familiar: quantitative and qualitative surveys. Either can be considered for both prevent and post event research. And qualitative methodology is extremely effective during the event itself.

The major difference between the two is this: *Quantitative* research allows little room for interpretation; it is a snapshot of attitude or opinion based on numerical or analytical ratings systems. It is typically faster because it is easy to execute and tabulate, less expensive, and not as open to conjecture as qualitative research instruments.

On the other hand, *qualitative* research is more in depth, a study of opinions, objectives, visions, and experiential and performance observations. It is more time consuming, often more expensive, and more interpretive than the quantitative approach.

Again, both are often used simultaneously, as well as separately, and can be effective for prevent marketing and planning strategies as well as postevent evaluations. You will need to determine

which may be the best method, given your timing, group characteristics, and type of information needed. (Guy Masterman, 2006 ).

**Quantitative research (hard data).** In most cases, this research is conducted on paper, electronically such as Internet applications, or through telemarketing. For example, assume you are considering two keynote speakers for your Mid-Year Event. In your prevent quantitative research instrument, you ask your potential audience to rate which speaker they wish to hear, on a scale of 1 to 10 (1 being the lowest desirability; 10, the highest). Speaker A receives an average of 5.6 in your responses. Speaker B nails a 9.3. This result needs little interpretation. The data are “hard.” Go for speaker B, or be ready to explain the alternative! This system works well for all aspects of event marketing and evaluation, including the ratings of multiple educational programs, social events, and overall experiential responses. Quantitative research instruments are *objective*.

Questions may be developed in two different styles: In picture 4, you will find a model of a typical quantitative prevent survey.

**Qualitative research (soft data).** What’s the hidden meaning? What are the objectives of this event? What are the ranges of interests in the markets we are trying to attract? These are the kinds of questions that compel qualitative research, the probing inspection of attitudes, opinions, interests, and organizational directions. By its nature, this type of research is more time consuming and expensive, as well as more open to varied and sometimes conflicting interpretation by analysts. Qualitative research instruments are *subjective*.

But qualitative research can be much more exciting! It’s the “risk-taker research” if you are not afraid of what the answers may be. In other words, the results of qualitative techniques can take you to places you may not have thought of, lead you to fresh new concepts, perhaps all the way to the “Field of Dreams.” There are several favored ways to conduct qualitative research.

The following survey will enable the organizers of ABC event to determine the feasibility of producing the following event. Your participation is important in this effort. Answer all questions by checking the appropriate box. Return this survey by January 1, 2010

1. Gender? Male Female
2. Age? Under 25 26–34 35–44 45–60 61 and over
3. Income? Under Euro 24,999 Euro 25,000–34,999 Over Euro 35,000
4. If the event held during the summer I would: (*Likert scale*)  
Not Attend Maybe Attend No Opinion Probably Attend  
Positively Attend
5. If the event were held during the fall I would: (*semantic differential scale*)  
Not Attend 1 2 3 4 5 Positively Attend
6. If you checked number 1 above please describe your reasons for non-attendance in the space below: (*Open-ended question*)

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Return this survey by January 1, 2010 to:

Mr. Remigijus Kinderis

P.O. Box.....

Anywhere, Lithuania

To receive a *free copy* of the survey results please include your business card.

### Quantitative Prevent Survey Model

**Source:** According Leonard F. Holey, CAE, CMP (2002).

P.S. The survey model in picture 4 is primarily *quantitative*. However, question 6 adds the possibility for a *qualitative* interpretation of an expanded response. you to places you may not have thought of, lead you to fresh new concepts, perhaps all the way to the “Field of Dreams.” There are several favored ways to conduct qualitative research.

**Focus Group.** This is a small group of participants who are interested in the subject but who represent disparate representations of your market or constituency. They should have knowledge of the subject under guidance of a *facilitator*.

The facilitator must also have knowledge of the topic in question, but should enter without a preconceived agenda or objective.

Rather, the facilitator is responsible for keeping the discussions on , topic, maintaining order, and deriving conclusions, whatever they may be. Recording of the discussions is often done with videotapes, audiotapes, or, at the very least, written transcriptions and flipchart notes.

The focus group deliberations may take an hour or a day, depending on the extent and complexity of the issues. The important point here is that plenty of time should be allowed for the objectives to be accomplished. The pressure of the clock is the greatest threat to generating thoughtful deliberations and meaningful consensus.

**Observation/Participation.** This research strategy requires alertness, consumption of time, and human interaction. For example, as a marketer of an event, you may want to visit the prospective venue to get a “feel for the place” in order to more graphically describe it in your marketing materials. Casual discussions with employees or locals will be effective gauges of the degree of interest in your event. Simply observing the levels of service being provided may directly improve the planning process by identifying potential problems that may be avoided for your event. How long is the line at the registration desk? How easy, or difficult, is it to park a car? How crowded is the coffee shop at the height of the breakfast hour? What are the general attitudinal levels of the staff and the quality of their service? What are the standards of housekeeping and the condition of the physical plant and surroundings? Become the detective.

Scrutinize everything. Copious note taking and laser alertness are essential during this process.

While managing and marketing a major national convention, I would take time to visit every seminar room, a total of 65 seminars during a three-day period. I would count heads and compare the total to the total room capacity. I would observe the body language of the students and the teachers. Hands in the air were good. Heads on the table were bad. After a few informal exit interviews, I took my notes. This was not rocket science, but it was an incredible asset when selecting topics, teachers, and room sizes the following year, making the adjustments mandated by my notes and marketing a more memorable event next time. This was the observation/participation technique at its most basic and most effective level.

**Activity - ⌚ Time 10 - 60 Minutes**



1. Which type of research would be most appropriate in the following situations, and why?
  - a) a event organization company wants to investigate the effect that seiors have on the purchase of its service products.
  - b) a conference hotel wants to gather some preliminary information on how clients feel about service in conference halls, menu variety, food in restaurant ...
2. Focus-group interviewing is both a widely used and widely criticized research technique in marketing. What are the advantages and disadvantages of focus

groups? What are some kinds of question that are appropriate for focus groups to investigate?

- 
- 

### 3.2 Segmentation and selecting target markets.

The business of events marketing involves two types of target market. For all events there are participants and for many events there are audiences, spectators and fans too. One of the unique factors of the events industry is that both participants and audience are an intrinsic part of the event product. Your fellow runner or the person next to you in the bleachers is contributing to your event experience. With this in mind the marketer now needs to address the most efficient and effective methods of reaching these customers.

Knowledge of customer behavior allows an organization to identify groups of customers with similar and generic attributes that make it possible for the organization to then be more efficient and effective in reaching them with its communications. This part of the planning process is called segmentation. A method of dividing large mass markets into smaller identifiable segments where the constituents have similar profiles of needs that may be attractive to the organization.

Knowledge sought can include psychographics as well as geographic and demographic information of customers. The aim of segmentation is to identify customer's needs that can be better met by the organization than by its competitors. Jobber (1998) maintains that there are three criteria for achieving this differential.

**The basis of segmentation.** *Behavioral segmentation:* What benefits do they seek, how and where do they buy, are they brand switchers, are they heavy or light users and do they view the product favorably? *Psychographic segmentation:* What kind of lifestyle do they lead? For instance, are they trendsetters, followers, conservative or sophisticated? What kinds of personalities do they have? Are they extrovert or introvert, aggressive or submissive? *Profile segmentation:* Age, gender, stage of life cycle, social class, level of education, income level and residential location.

Often a combination of these forms of segmentation can provide a comprehensive approach to reveal a level of knowledge that will enable event managers to ascertain a number of segments of larger markets that are attractive propositions for its products. For example, the sales of daytime off-peak tickets to appropriate target markets would require demographic information on jobs and personal addresses, and psychographic information on interests and availability at those times. The filling of off-peak seats for the Nabisco Masters Doubles at the Royal Albert Hall in London has included the targeting of teachers from schools for blind children based in the home counties of England that were perhaps available for school trips. The offering was made all the more attractive with the help of a partner that provided commentary via personal headphones.

Whilst segments are a division of the mass, niches are an even smaller part of the whole. Segments in definition are still quite large and prone to competition whereas niches can offer single corporate opportunities to provide a small part of a market with a product that will not realize great profits, but can offer market share domination and be more than sufficient for a smaller organization. The identification of a niche follows the same segmentation process. Going through a process of segmentation however, does not guarantee success. There are four key criteria that must be met according to Boone and Kurtz (2002):

1. The market segment needs to offer measurable buying power and size.
2. The market segment needs to be able to offer an appropriate level of profit.
3. The organization needs to be capable of providing the segment with a suitable offering and distributing it at an appropriate price.
4. The organization's marketing must be capable of effectively promoting and serving that segment.

The process for segmentation below has been adapted from Boone and Kurtz's (2002) model.

**The segmentation process. 1. Identify the basis of segmentation:** This consists of the choice of the basis for segmentation basis and the selection of promising segments. Having predefined a segment, a selection can then be made based purely on observation or via market-driven research.

**Develop a segment profile:** Further understanding of the customers in each segment, so that similarities and differences can be identified between segments. The aim is to arrive at typical customers for each segment.

**Forecast the potential:** Identify market potential for each segment.

**Forecast market share:** Forecasting a probable market share by considering the competitions' market positions and by designing marketing strategies to reach each segment. The latter will identify necessary resources and weigh up the costs versus benefits.

**Target market selection.** There are several approaches for target market selection. A mass-market approach entails selecting large numbers where the appeal can still be successful with little wastage of marketing effort. An event that has appeal to people of all ages, either single or part of family units might successfully select a mass market.

However, many events will require differentiated target markets that are more finely selected via the segmentation process. An example here would be an extreme sports event where the appeal is not so widespread. Further differentiation again can be provided via a niche approach. For example, an event that runs during off-peak hours will be required to be more focused still, perhaps in the form of local schools or women's groups.

Following segmentation an organization can make an informed decision about which segments it wants to target.

**Activity - ⌚ Time 10 -60 Minutes**



1. Got to the web site a major brand of a event or hospitality company. Explain how they use appeal to different segments through the web site. Give specific examples.

- 
- 

2. Find an advertisement from a event company that targets a specific segment, such as children, young adults, seniors, upper-income customers, and so on. Then visit a location of that company. What does the company do the location with its marketing mix to attract the segment that it target in the advertisement? This can include sales promotions, signage, product mix, location of the company, and pricing of product.

-



### **Marketing planning.**

There is no commonly accepted definition or approach to marketing planning. This is because of a number of problems that pepper the marketing planning literature relating to the size of an organization, the market or sector in which it exists, its culture, and the human beings that work within it. There is a huge body of research that has considered marketing planning and its models, structures and processes, theory and typologies. The only one thing that is certain is that, after considering the findings of a number of studies and as the output of many informed views, there is no common agreement on a single definition or approach to marketing planning

A common method used to help plan a marketing plan is an acronym called **AOSTC**. It simply stands for :

1. Analysis – Of environment.
2. Objectives – Setting yourself SMART objectives.
3. Strategies – For segmentation and growth, targeting and positioning.
4. Tactics – Used i.e. marketing mix
5. Control. – How you will monitor that you are achieving objectives.

### **Structure of a typical Marketing Plan.**

**1. Situational Analysis – Where are we now?** Every good marketing plans needs to analyse the current business situation and ask a simple question, where is the business now? This involves the business firstly conducting an **internal audit**. An internal audit will look at:

- Past objectives and success rates.
- Past marketing mix strategies.
- Past budgets.
- Past segmentation, targeting and positioning strategies.

The internal audit aims to look at what you did in the past, was it successful, if not why not, if so, why so? Simple hey!

After the internal audit the next stage is for you to conduct an **external audit**. The external audit will involve:

- Conducting a PEST analysis, and discussing the impact of this on your strategy.
- Researching the industry you operate in. What are the trends within the industry you operate in?
- Competitor analysis. What are your competitors up to?
- A SWOT analysis to help establish your current strengths, opportunities, weaknesses and threats.

### **2. Set your objectives – Where are we going?**

Set yourself SMART objectives so you know where you are heading. Remember SMART stands for:

- Specific – Clearly state what you want to achieve.
- Measurable – Is it easy to measure the objectives you set by monitoring sales, market share figures?
- Achievable – Set yourself attainable objectives.
- Realistic – Can you really achieve them with the current resources you have?
- Timed – Set a realistic time scale for the objectives.

### **3. What tactics or methods will you use to get there? How will you get there?**

- Define your target market. Select your segment, your targeting strategy and positioning strategy.
- How will you use the marketing mix to assist you. What will be your product, price, place or promotion strategy?

### **4. How do I evaluate the strategy? Are we getting there?**

Are you achieving the objectives you set for yourself? To evaluate your plan some benchmarks may include:

- Market share data.
- Sales data.
- Consumer feedback.
- Feedback from staff.
- Feedback from retailers.

### **5. Executive summary – Write a summary of the plan.**

Finally at the end of this task write a summary of the plan and place it at the front. Why? Well it acts as a quick reference guide to the plan you have just written.

This summary is what a typical marketing plan looks like.

#### **Marketing Plan Structure.**

##### **1. Executive Summary**

##### **2. Situation Analysis**

###### 2.1 Market Summary

###### 2.1.1 Market Demographics

###### 2.1.2 Market Needs

###### 2.2.3 Market Trends

###### 2.2.4 Market Growth

###### 2.2 Swot Analysis

###### 2.2.1 Strengths

###### 2.2.2 Weaknesses

###### 2.2.3 Opportunities

###### 2.2.4 Threats

###### 2.3 Competition

###### 2.4 Product Offering

###### 2.5 Keys to Success

###### 2.6 Critical Issues

##### **3. Marketing Strategy**

###### 3.1 Mission

###### 3.2 Marketing Objectives

###### 3.3 Financial Objectives

###### 3.4 Target Markets

###### 3.5 Positioning

###### 3.6 Strategies

###### 3.7 Marketing Mix

###### 3.8 Marketing Research

##### **4. Financials**

###### 4.1 Break-even Analysis

###### 4.2 Sales Forecast

###### 4.3 Expense Forecast

## 5. Controls

- 5.1 Implementation
- 5.2 Marketing Organisation
- 5.3 Contingency Planning

### **Strategic and Tactical Marketing Plans.**

What makes a strategic marketing plan different from a more tactical marketing communications plan? The key difference is the focus on meshing overall customer situations with your overall company direction.

Without a strategic marketing plan a company could waste resources or miss an opportunity.

What's the cost of missing an opportunity? Of course, it's impossible to know at the time the opportunity is missed, but years later it will become clear when a competitor opens a new factory or enters a new market -- and their revenue grows faster than their competitors.

In other words, the annual cost of a strategic marketing plan review is miniscule compared to the revenue, market share, and profitability it can generate.

### **Developing the Strategic Marketing Plan.**

The strategic marketing plan process typically has three stages:

1. Segment the market
  - Geographic
  - Demographic
  - Psychographic
  - Behavior
2. Profile the market segments
  - Revenue potential
  - Market share potential
  - Profitability potential
3. Develop a market segment marketing strategy
  - Market leader or product line extension
  - Mass marketing or targeted marketing
  - Direct or indirect sales

After analyzing market segments, customer interests, and the purchase process, it's time to create the strategic marketing plan. The strategic marketing plan document usually includes:

- Situational Analysis - Where is the company now?
  - a) Market Characteristics
  - b) Key Success Factors
  - c) Competition and Product Comparisons
  - d) Technology Considerations
  - e) Legal Environment
  - f) Social Environment
  - g) Problems and Opportunities
- Marketing Objectives - Where does management want the company to go?
  - a) Product Profile
  - b) Target Market
  - c) Target Volume in Dollars and/or Units;
- Marketing Strategies - What should the company do to achieve its objectives?
  - a) Product Strategy

- b) Pricing Strategy
- c) Promotion Strategy
- d) Distribution Strategy
- e) Marketing Strategy Projection

**How to Use a Strategic Marketing Plan.** Once a company's executive team has approved the strategic marketing plan it's time to take the next step - create the tactical marketing programs and projects needed to implement the plan.

These tactical programs usually include:

- Product Development Plan;
- Marketing Communications Plan;
- Sales Development Plan;
- Customer Service Plan;

**Benefiting from a Strategic Marketing Plan.** The top-down process of developing a strategic marketing plan helps insure that all tactical marketing programs support the company's goals and objectives, as well as convey a consistent message to customers. This approach improves company efficiency in all areas, which helps improve revenue and market share growth, and minimizes expenses - all of which lead to higher profitability.

**Activity - ⌚ Time 10 Minutes**



1. Is strategic planning the same thing as marketing planning, and restructuring?
  - 
  -
2. Chose a event management company in your area. On the Internet find information that would be useful to if you were developing a marketing plan for the organization.
  - 
  -

**Reading list**

Boone L. and Kurtz D. (2002 ). Contemporary marketing. London, Thomson Learning.  
 Jobber D. (1998). Principals and practice of marketing. London. MacGraw-Hill.  
 Guy Masterman ( 2006 ). Strategic Sports Event Management. Elsevier Butterworth Heimann.  
 Kotler, Ph., John T. Bowen, Jame C. Makens (2006). Marketing for Hospitality and Tourism. Person Education International.  
 Leonard F. Holey, CAE, CMP (2002). Event Marketing. How to successfully Promote Events, Festivals, Conventions, and Expositions.  
 Lovelock, Ch., Wright, L. (1999). Principles of Service Marketing and Management. USA, New Jersey:Prentice-Hall, Inc.

**Useful links**

- [http://www.marketingteacher.com/Lessons/lesson\\_marketing\\_environment.htm](http://www.marketingteacher.com/Lessons/lesson_marketing_environment.htm);
- [www.smartdraw.com](http://www.smartdraw.com);
- <http://www.jurossvente.lt/>;
- <http://www.upas.lt/>;

## Chapter 4. Logistics

### 4.1. Logistic Definition

It is well known that the contemporary civil development of logistics science and practice has its stems in the military arts. The following definitions of the term reveal the process of its transformation from element of the military art into civil, scientific and practical activity. As per the definition of the Webster dictionary (1963) logistics is “The procurement, maintenance, and transportation of military material, facilities, and personnel”. A series of researches emphasize the connective aspect of logistics.

These classical definitions of the military logistics do not reflect the modern vision of the logistics subject. The transition of the logistics approach from the military sphere into the business and civil sphere is a result of economics vision evolution. The necessity of initial steps in this direction is creasoned in 1955 in one of the North American magazines. This is followed by the rapid establishment of national logistics associations, which cut the path of its civil application, in the USA, Great Britain, Germany and other countries during the 60s. Definition promulgated by Council of Logistics Management, a civil professional organization of logistics managers, educators, and practitioners is “Logistics is the process of planning, implementing, and controlling the efficient, cost-effective flow and storage of raw materials, in-process inventory, finished goods and related information from point of origin to point of consumption for the purpose of conforming to customer requirements”.

Thus the relatively narrow postwar understanding of logistics is overcome. Logistics is more often viewed as a system component of integral, global, national, branch or corporate economy. Magee (in 1968) writes that it is “The art to manage a flow of materials and products from the source to the consumer”. Soce views logistics as: “... art and science, engineer and technical activity related to defining the needs, projecting the satisfaction, supply and procurement of resources to maintain goals, plans and operations”.

The broader understanding of logistics is a logical consequence of market economy development. During the 50s and the postwar restoration the attention is directed towards post war reconstruction and rationalization of the production processes. During the 60s the attention is towards market research and marketing. The 70s become the period of supply and demand individualization (the so called process of “customization”). It is the era of customer dominated market rather than producer dominated one. The changed needs for providing a product at a certain place and time, of a certain quality and minimum expenses leads to new understanding for material flows role and their management in economy. Flow management of offered goods and services moves to the front places. Understanding the economy functioning becomes more complex due to the fact that it takes into account the interaction and integration of many important factors and conditions. The success is explained not through the improvement of separate economic systems but through the integration of the links and relations among them.

The traditional logistics activity and its management receives new dimension related to organization and conducting various special events, especially those related to transportation of huge masses of people from their place of residence to the event venue and serving them through special facilities. To some extent the issues that appear during this movement are similar to those of army deployment that are well-known and organized by military logistics.

Of logistics point of view interesting is every special event (activity planned in advance, and usually attracting a large number of participants or observers), that is entirely or partially related and requires logistic coverage and special logistics management. We add to these events also such as sport, cultural or entertainment events that may not require special logistics management however they affect or disturb the normal logistics processes in a restricted or larger territorial zone.

The attention to the logistics management as a whole and to the special events logistics in particular increases with the development of the business processes and the activities in the local economy. The global transition from mass towards consumers-centered production is the logical basis for logistics management development.

The logistics age is the natural third stage of the global economy development, which includes the phases of:

- Large-scale machine production during the 50s. A distinctive emphasis from this period is the production management theory of Ford focused towards rationalization of the production processes. The attention is directed towards the operational, technical and technological aspects of production that can ensure effect due to the production scale.
- Market saturation with goods after the 50s that neutralizes the effects of the production scale. The market turns into focus of the production management. The marketing practice and theory is developed as a new managerial concept consistent not with the production possibilities but oriented towards the market needs, meeting them and if possible modifying them.
- Consumer-dominated market – after the 70s that mark the end of the producer-dominated market and its transformation into a consumer-dominated market. The consumer's impact on the price of goods and services increases. The producers have to take into consideration the individual peculiarities of demand. The era of “demand individualization” comes. The clients demand that the goods and services should be delivered to a certain place, should be of high quality, acceptable prices, and at right time. Therefore the attention is directed towards organizing and managing of flows of goods and services towards the client. This precisely is the essence of the logistics concept of the business.

This concept integrates the previous two concepts. However it does not only unite production and marketing, but opens the field for the following concept that led to dramatic development of quality management of the offered goods and services.

The spread out of the logistics concept is characterized by the transition from the traditionally well used centralized activity of “material and technical coverage” or “supply” towards “logistics coverage” or “logistics management”. This is not just a terminological transition that can be executed by the mere change of the activity name. There are contextual differences that need to be taken into account during the management of the above-mentioned transition. In fact we talk about a significant transformation of the existing practice and adapting it to the global models of this activity. Briefly we can list the following aspects of modern business logistics that serves the special events management:

- This is a new managerial concept or a new way of thinking to provide for goods and services for the events held.
- This is a new vision of the function of the economy and the objects and events within it.
- The logistics stress not on the process but on the relations and subordinations among them, i.e. directing flows of goods and services towards the special events participants and consumers.
- The logistics presupposes network integration and balance of activities that are physically or informatively related to the provision of necessary goods and services for the clients.

You could summarize all these aspects accepting that the mission of logistics is to get the right goods or services to the right place, at the right time, and in the desired condition.

Relatively to events logistic management aims to develop and maintain the abilities to provide all needed support of special events. The key objective is managing the flow and network aspects during the provision of the necessary materials, facilities and services. A special focus is also the movement of participants (consumers) or suppliers to the event venue.

The specific concept and approach related to the provision of logistic services is actually an application of the modern methods for market management of the available resources. Its application is a tool for better balancing of special events demand and offer through the usage of the modern market tools for regulation of clients-entrepreneurs relationships in the business. Good logistics management is an expression of economic market relationship maturity and democratic economic management. Adopting the logistics ideas and undertaking specific actions for their application in special events management will be an expression of real resource management revolution in the tourist sector sphere as part of the overall economy.

**Activity - ⌚ Time 10 Minutes**



Please offer your own definition for event logistic.

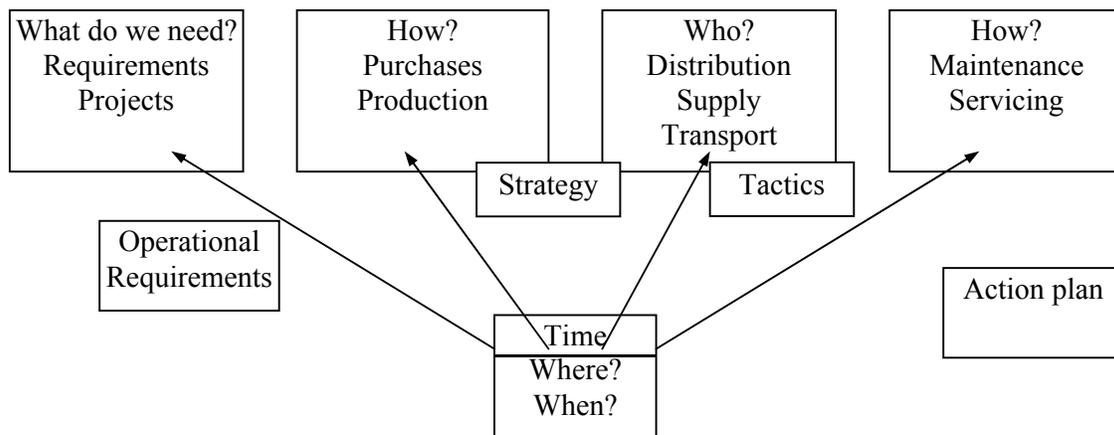
- 

According to your experience what aspect of events logistic is most important for your practice?

- 

**4.2. Logistic Scope and Models**

The civil transformation of logistics leads to revealing and reconsidering the opportunities provided by the logistic idea to overcome the decision environment risk and uncertainty that occur during special events management. This idea becomes a tool to overcome the traditional weaknesses of business processes coordination. Logistics accepts a new way to connect “decision environment (treats, risk and uncertainty) – active strategy – tactics – event operation” and offers specific tools for integration of the counteraction to environment changes.



Connection: “decision environment – strategy – tactics – operation” and main logistic systems

For solving the risk and uncertainty problem logistics develops four main systems: for defining the operational requirements, for strategic guidance of demands saturation, for tactics of the logistics management, answering how a specific event logistic is to be managed, and finally for its operational management.

**The requirements system** tackles the issues of defining the needed operational requirements and projecting ways for their execution. In tourist entrepreneurs and suppliers point of view this is the generation of operational demands (orders) of clients (for organizing events) including the necessary transport and assortment of equipment and facilities. It answers the question – what is necessary to achieve the needed ability to organize and conduct planned events. It includes the events organizers and the clients’ representatives that give their orders, and the potential to project and plan the event that is necessary to view the best ways of demands saturation. The output of requirement system (logistic operational requirements) is a part of research phase of the event management.

**The strategic logistic system and its product – logistic strategy** are the parts of the good corporate system and strategy. They have to answer the question – how to meet the needs and requirements? The strategy details the requirements, approaches, policies, objectives, and available resources for their achieving. It engages the high management of the organization, including the resource manager, who is responsible for the logistic management of the events and for the purchase system. In special cases this system need to be supported by external or internal consulting or R&D units that can be engaged to clarify the strategic aspects of logistic management. Logistic strategy is a part of the strategic event plan.

**The tactical or organizational logistic system** covers related to the event planning and execution issues. It arranges who shall perform the necessary logistic operations. It includes the allocation of logistic tasks among organizational bodies, purchase, preservation, division, transport, etc. The main executor is the team of the organization resource manager.

**The operational or control logistic system** includes management, implementation, coordination and control of the logistics process. It answers the question – how to carry out the logistics operations? How to organize the transportation of the participants, the provision of the necessary facilities and equipment, including purchasing, maintenance, servicing, storage, transport, etc? This activity is usually carried out jointly by the organization and the participating subcontractors – specialized logistics organizations units that are engaged for the event organization. This system concerns the logistics outsourcing and the contracting of external for the leading organization companies for executing logistic services.

All these subsystems are bound by time and have to consider the time limits during the integration of the chain “decision environment (treats, risk, uncertainty) – strategy – tactics – operation”. They all abide the question – when and where shall the interrelated activities be performed? Good time and place harmonization of the activities of multiple organizational units is a key criterion for the successful implementation of a special event.

Combining requirements, strategy, organization and control of the material, facilities, services with time and place allows defining the flow character of logistics activity. The logistic emphasis is on the resources flows that run in time and on the networks through which the flows run.

Logistics covers three out of totally six types of economy flows. Its subject is the so called classical logistics flows:

- Material flows or flows of necessary material, facilities and services.
- Demand flows for event material, facilities and services.
- Information flows of data for the material and demand flows.

The remaining flows are: money flow, labor force flow and investment flows and they are not logistics subject. They are subject of other branches of economy, however often elements of these flows are subject of logistics activity.

These logistics flows are variously related to the diverse in type and essence special events. However it is possible to show the connection of the logistics flows to some summarized aspects of the events.

#### Connection of the logistics flows to aspects of the events managed

Events aspects/Flows	Material flows	Demand flows	Information flows
Event organization	yes	yes	yes
Guests and interested public	yes		yes
Events conduct technology	yes		yes
Markets (service providers)	yes	yes	yes
Education and training		yes	yes
Assessment and certification		yes	yes

The material flows are mainly connected to organization, received guests, technology and suppliers for the special events conduct. The demand and information flows affect all of the listed aspects of the special events held. A detailed clarification of this relation allows for a certain systematization, partial unification and even standardization of material, demand and information flows. It is feasible to achieve a standardized demand framework, as well as specific requirements for organizing the information and material flows for special events.

The flows listed are complexly related to an extraordinary huge list of specific logistics services.

The logistics service flows run in the logistics networks (or chains). Practically we can easily differentiate between the production networks and flows and the consumers or servicing networks and flows due to the elements they consist of. For example the production material network includes: receiving raw materials and materials, storages for raw materials and materials, workshops for preparing semi-finished goods, storages for semi-finished goods, workshops for assemblage, storages for the ready production and expedition. Such networks are typical for the production logistics.

The servicing network should naturally consist of: receiving the necessary products, central storages, allocation of the products, intermediary (territorial) storages, receiving, end storages, usage. This network is typical for the consumers' logistics. This division is quite provisional since each logistics service integrates elements of both production and consumers' logistics network at the same time.

The logistics networks are specifically related to the logistics services providers and to the assortment of facilities and equipment for providing the services they use.

The logistic services providers are part of the logistics sector of the business. These are organizations offering one or series of logistics services. They have various characteristics that mainly affect the area of services offered, availability of the necessary facilities and equipment for the services, service quality and quantity, as well as the costs and price of the services provided. Depending on the type of the services offered they are divided into:

- Providers of separate independent services (for example air transport).
- Providers of combination of services offering various service packages, for example transport and hotel accommodation offered by one managing center.
- Leading logistics services providers who offer integrated services to several combined services providers.
- Providers-integrators of chains of services for which is typical to unite the abilities, technologies and resources of leading providers and their own organization.

The types of providers listed are equipped with different supporting facilities and equipment necessary for the services provided. Entering a specific special events market each provider has to consider carefully what type of service or service package to offer and what facilities and equipment are required for supporting the services offered. This means to carefully consider the compliance of the service offered with the infrastructure needed (for example water, technical systems, security, health insurance, transport and parking, storage, maintenance, cleaning, etc.).

It is necessary that the provider has an organizational unit that can carry out the task. It has to connect and balance the attractions and the facilities for the services provided. According to the Center for Development at the State University of Oregon the attraction includes natural and human-made characteristics that can attract the people to visit the special events. They can be of natural, recreational, cultural, political, socially valuable or other character that is sufficient for attracting attention to the services offered.

The facilities include roads, airports, railways, parking zones, water supply, sewage, electricity, gas supply, traffic control and order and security control, medicine zones, hospitals and emergency medical help, etc. All these facilities and the services related are necessary in order to make the special events participation easy and secure. We have to add to them also hotels, restaurants, retailers and service providers who contribute a lot for the good effect of the events as well as all the necessary equipment that make the facilities efficient.

Balancing demand and attractions with the necessary facilities and equipment is a task that depends on the specific characteristics of the special event. Yet it is possible to offer a summarized guiding framework for its solution that includes the following phases:

- Uniting the attractions with the accessibility and with the facilities and equipment of the special event services. In this phase an expertise shall be made mainly through brainstorming in order to define the list of attractions, services, facilities and equipment necessary for the planned events.
- Defining the facilities accessibility for the specific events and services.
- Assessing the compliance of the accommodation (hotels, motels, etc.) and food (restaurants, etc.) facilities with the participants.
- Defining the periods of work load and engagement of the facilities.
- Booking the facilities through direct contact with their owners.

- Correcting the reservations depending on the concrete confirmation of the participants and their groups.
- Ongoing overview and correction of the event action plan by the leading body and its management.

The more logistics services providers in the event, the more complicated is the work on matching attractions and facilities and establishing logistics networks and flows that have the necessary potential for its good management.

Logistics is a collection many functional activities that are repeated many times throughout the channel through which the different factors and conditions (inputs) are converted into successful event output and outcome. These activities could be:

- Transportation.
- Inventory maintenance.
- Order processing.
- Supply, Procurement, Acquisition.
- Purchasing.
- Protective packing.
- Warehousing.
- Storage and handling.
- Information, maintenance, and other support activities.

In practice the scope and the structure of applied logistics varies in accordance with the type of organization being considered. But it always concerned with “furnishing the means of events operations”, which are: clients (participants), material, facilities, and services.

A number of different kinds of models are built to help the managers to perform their obligations:

- Transport and distribution model, and assignment technique.
- Inventory models.
- Reliability and maintainability models.
- Management control models.
- Network models and analysis.
- Queuenning and others.

This and other models help to managers to understand, to simplify and optimize the logistic processes. For to use them they have to dispose with relevant detailed and accurate information. In more simple cases the managers could relay on their intuition.

**Activity - ⌚ Time 15 Minutes**

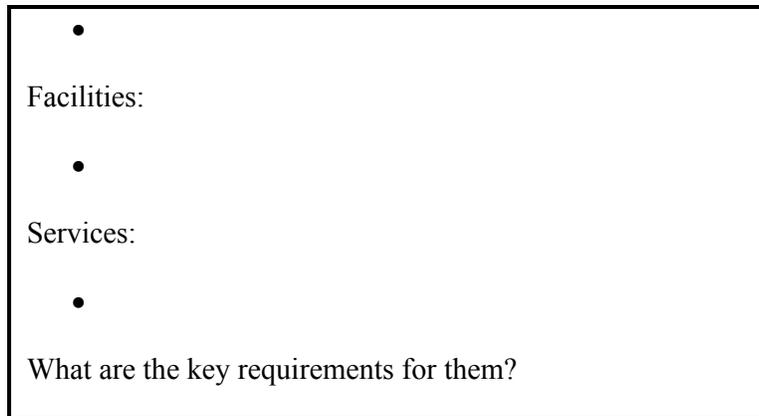


In accordance of the activity of your organization what are the key logistics activities for event organization? What are the most often used resources for the events? Number the type of:

Clients (participants)

- 

Material:



### 4.3. Logistics management

Logistics management is actually an implementation of a logistic approach to the traditional business processes management. It is the process of “getting the right things, to the right places, at the right time, for the right cost”. It places the emphasis not on the different logistic processes but on the connections and relations among them. It balances and integrates numerous and various participants and activities in time and space in order to achieve high level of special events servicing.

As every management process the logistics management has a cycle with the following main phases:

- **Logistics networks designing and building.** This phase includes identification of event need, requirements for acquisition, and defining the suppliers, consumers, distributors, storages. At the end of this phase unifying network has to be chosen. The costs and the time of delivery have to be defined, and contacts to be closed.
- **Networks improvements and optimization.** The second phase includes the drafting a plans for the best possible usage of the existing networks. Attachment of consumers to suppliers is assessed. There is a combined planning that connects all participants into logistic network.
- **Exchange analyses.** This phase assesses the end products stocks. The transport options are calculated. It evaluates the operational possibilities for offers execution and the exchange possibilities. The narrow places of the system are removed.
- **Operational planning and implementation.** This is executed through material, facilities and services flows planning. The main tasks of this process are:
  - Requirement acceptance.
  - Distribution and transportation.
  - Main production acquisition and supply time-table.
  - Deployment planning and storage.

Logistics transactions are implemented within the process. The execution of time table and the deviations have to be controlled. The operational status of the system has to be evaluated and improved.

This standard cycle acquires a specific form in every different type of event. The consecutive phases of this cycle include:

- **Special events classification.** Classification is a necessary prerequisite for good management. It has to identify the event by outlining its elements, features and various forms. It has to distinguish possible types and factors that influence them. It has to connect the events with the specific requirements for their logistics procurement.
- **Defining the target groups** that are subject of the event and their logistics needs and evaluation of the event attractiveness. As a result we have to predict the number of the

attracted visitors as well as the general requirements for holding the event. These requirements are necessary for determining the ways of movement and transportation of the participants.

- **Designing transport channels** including the ways of transportation of the participants, material, facilities, and services. Specifying routes and affected zones. Also we need information about the event structure and content including all elements of the integral concept for its execution.
- **Profiling the participants** in the logistics procurement and their interests. The analysis of the participants and their interests allows predicting potential conflicts and sources for threat and risks for the successful execution. The bigger the organized event is the more unified efforts are a success factor.
- **Event logistic planning** includes responsibilities distribution, structure of the venue and neighboring zones, traffic and accommodation management (Traffic and accommodation plan) as well as the security measures for the participants and environment protection. Typical elements of security planning are the Risk management plan, and the Emergency plan. The Risk management plan aims the managing all possible risks accompanying a special event. The Emergency plan is similar to the Risk management plan but it is focused on unexpected emergency situations for which is hard to define the level of risk. It views the situations for actions and management of unexpected accidents that can interrupt or threaten the special events. Part of the planning is also the event insurance.
- **Operational management and control** of the events includes comparing the implementation with the action plan and correction of the deviations including the stability and security of the comprising processes.
- **Analysis and evaluation of the events quality and success** on the basis of the experience accumulated through their execution. It could facilitate the future work on events logistics management.

The above-given content events management logistics character and cycle underlines the network and flow character of the procurement. Replacing the listed phases of the management process with other management principles and approaches transforms the logistics system into an acquisition (design, develop, test, produce and deploy, modification, operations and support), procurement (regulations, policy, purchasing, reliability and maintainability, in-service support, budgeting) supply (requirements, inventory control, procurement, transportation, distribution, cataloging, standardization, financing and disposal), purchasing (requirements, tendering and contracting, financing) or other type of servicing system.

**Activity - ⌚ Time 10 Minutes**



Please define how the standard logistic phases are influenced by issues and objectives associated to the specifics of your company? What are the relevant to your practice phases?

-

#### 4.4. Logistic Organization

Logistic organization is the structure that facilitates the logistic activities management. It is a formal or informal instrument for allocating the personnel to achieve the company's goal. There are no written rules for optimal allocation. They company may fallow only common guidelines and his and other experieence.

The organizational structure defines the necessary lines of authority and responsibility to insure that the logistic inputs are moved according the event plan.

The focus is specifically on the organization of the logistic efforts through positioning those persons in the company, responsible for events logistic. The positioning has to guarantee the good internal coordination, and external to the other business functions (marketing, finance, operations), and to avoid potential conflicts between them. Some organizational structure for the coordinated logistic decision making is needed. The level of structural integration of different logistic activities into company will depend on the accepted philosophy for time and cost reduction, and required coordination among the activities throughout entire company.

The managers have three basic choices from which they may select: informal, semiformal, and formal. The logistic structure could be also: centralized versus decentralized, large versus small, staff supporting versus line responsible or others. None of them is better than the others. The right choice depends on personalities, the tradition and organizational culture, and to the importance of logistic activities.

#### Activity - ⌚ Time 15 Minutes



Please characterize your logistic organization answering questions:

- Who is participating into logistic activities and their management?
- What their roles will be? (decision maker, rekomendor, consultant, analyst, rewiewer, implementor)
- How they might participate? (direct on indirect, and limited to specific topics or tasks)

These two questions must be answered for each major step in the logistic process.

Does your organizational structure give a clear answer for these questions? What type is the structure? Is it possible and how to improve it?

#### 4.5. Coordination of Logistic Operations

The basic issue for organization as a basic managerial function is how to achieve a good coordination and cooperation among activities, functions, personnel so that the logistic objectives can be implemented effectively. But the coordination and cooperation could not be achieved only by good organization and the other basic managerial functions: decision making, staffing, planning, controlling, communicating and directing (leadership). Coordination by itself is also an objective of the operational management of the company, which concentrates on the technical aspects of the company.

Logistic management is responsibility of the company managers. They have to combine all specific logistic operations and functions for to cover the regulation or combination the logistic activities in harmonious action. Next problems have to be solved as a base for good integral managerial coordination:

- To appoint a logistic manager, responsible for the operative coordination.
- To prepare logistic plan, as a part of the events plan.
- To establish a policy and procedure for cross-servicing and cross-supply.
- To review requirements for events critical materials, facilities, and services.
- To make recommendations as to priorities and allocation of these elements.
- To form teams to which the logistic activities may be delegated.
- To provide logistic information to involved participant.
- To provide operational information about execution of the plan to the events manager

Purchasing and Supply management is a part of a broader Logistic management. It is an activity, the purpose of which is to facilitate the accomplishment of the objective of the events. It includes:

- Requirements.
- Inventory control.
- procurement;
- transportation;
- distribution;
- disposal

Organizational responsibilities in supply management depends on the nature of events and own capacity for services.

Procurement is also one of several functions involved in complex logistic process. It is a servicing which is directed to obtain equipment or supplies or services (with proper quality, sufficient quantity at a fare and reasonable price), and to have them available at the right time. The scope of procurements covers:

- Research and development (R&D).
- Purchase, hire or leasing.
- Production, modification, assembly.
- Maintain and support.

From all these operations and functions we will stress our attention to some specifically logistic ones.

### **Requirements and Technical Specifications.**

Requirements and Technical Specifications are the descriptions of the material, facilities, and services to be procured, including a clear statement of minimum quality requirements.

Requirements are the statements for maximum overall estimated need of goods or services over a specific period of time for purposes of supply, procurement or acquisition. Technical specifications are the parts of purchase specification on design, quality and/or performance.

Requirements definition is a first stage of acquisition, procurement, supply or purchasing. It consists:

- Name, type, and volume of required material, facility or service.
- Required quality and standards of quality evaluation of the acquisition, by which it could be measured in the moment of supply.
- Market price of the acquisition.
- Evaluation and selection of the required performances.

The key point of this process is that the formulated requirements must meet the event need. On this phase you will have next issues: lack of specialists, deficit of information, and bad coordination between the parts of organization

### **Activity - ⌚ Time 10 Minutes**



For the particular events case please, answer the questions:

- Why we need such a materials, facilities, and services?
- What are the objectives that we are trying to achieve?
- What specific information do we need, who will provide it, and how often should it be provided?

### **Logistic planning**

Planning is a base for coordination the common efforts in event logistic management. To prepare plan or program of purchases is not easy tasks. It includes:

- Gathering information for the acquisition.
- Demand and supply analysis.
- Selection of strategy.
- Selection of method of supply.
- Time-table for operative decisions.
- Control and correction.

The plan or program (as a part of event plan or program) attempts to answer the questions of what, when, and how to satisfy the event requirements. The plan could be on the strategic, organizational (tactical) or operational level. Each planning level will requires a different perspective. Operational plan must be customized to particular case and problem.

### **Selecting the supplier.**

The selection of the wrong supplier can caused the big expenditures. He could be well known old or new one. If the supplier is old one you could answer the next questions;

- Why he will provide us the product or services with best quality?

- Is it the product or services really cost their price?
- Are we satisfied from the previous provisions?
- What are the current capabilities of supplier (technical, logistical, physical, financial, and managerial)?

If it is a new one you have to clarify:

- What we need?
- If the supplier is capable to meet our requirements?
- How to find the supplier offering the best conditions?
- What is “the range of supplier’s activity”?
- What is the quality of the products, and their prices?
- How we could have the guarantee the quality of the products?
- How we could evaluate that the selected supplier is the best one?
- What is the security of supplier?

**Activity - ⌚ Time 10 Minutes**



For the particular product you buy often, please compare two suppliers on:

- The quality of required products.
- Method of quality assurance, and testing.
- Price.
- Time of supply.
- Continuity and regime of supply.
- Method of payment.

Add some other criteria, and make integral evaluation for all parameters. Select the most appropriate supplier.

**Tendering**

Tendering is a method for selection a supplier. It is used mostly for the big supply, and when the long lasting relationship is appropriate. Tendering includes two phases: invitation for tenders, and study, and evaluation of the offers. The tenders could be: open procedure (opened tendering, including invitation for cooperation to not limited number of suppliers), restricted procedure (selective tendering), and negotiated procedure (limited or coordinated tendering). Selective tendering is supposed to be addressed to limited number of suppliers (optimal number is six). Limited or coordinated tender includes negotiations with exact conditions (quality, quantity and price).

**Activity - ⌚ Time 10 Minutes**



Please, write an invitation to company to take part in open tender for supply a special material, equipment or service.

Compare your invitation to the others, and include the elements you miss.

**Contracting**

Contracting is a professional activity with a strong legal aspect, which needed a juridical consultation. The contract is an act whereby two or more persons declare their consent as to any act of things to be done or forborne by some of one of those persons for the benefit of the others or other of them. The contract could be written or in some cases oral, which is obstacle for court evidence. As the contact is fallowed by the legal consequences the contractors have to be authorized for contacting, and signing. The contract has to have a price, and to answers to applicable juridical norms of it.

Contracting is including:

- Questioning for purchase.
- Offer with acceptable price.
- Selecting the supplier.
- Order for supply.
- Letter for confirmation.
- Negotiations and contract award.
- Contract close-out.

Before to sign a contract is needed to agree all the conditions with the contractor including standard for quality assurance, guarantees, liquidated damages, etc.

**Activity - ⌚ Time 10 Minutes**



For the particular events case please, specify the most important conditions for contracting.

- 

**Logistic control**

The objective of control is to ensure that the required material, facilities and services are procured on time and within the budget. It also has to provide early warning of significant deviations from the approved plan or program schedule, cost or quality. The control covers:

- Comparison of actual logistic performance, schedule, and cost to goals, plan or program, and cost estimates.
- Determination reasons for deviations.

- Direction of corrective actions, if necessary.

The control could be organized on a periodical, event-driven base (when a preliminary defined decision points are reached) or driven by the resource allocation process. In any case it is needed to balance management's responsibility for oversight against the costs of the control mechanisms used.

**Activity - ⌚ Time 10 Minutes**



For the particular events case please, organize a control of suppliers' readiness for contracting.

- 

**Evaluation**

Evaluation is an important activity that takes place at a several points in the logistic process (selection of the alternatives for requirements, suppliers, and contracts).

The scope, criteria and method will vary according the issues to be addressed.

Finally the overall evaluation of the logistic support of the event will help to see the real impact of the event effectiveness.

**4.6 Criteria for Logistic Decision Making Evaluation**

Evaluation of logistic decisions is a key part of events evaluation. Every event logistic plan is different, and specific criteria and emphasis will vary from one plan to another. However, the cost should always be considered as the key criteria, because of their prevailing part of overall event expenditures. The time and the service quality will be the limitations for the events output, and effect.

The networks are an integral component of logistics management but they also reflect the internal controversy of this management. On one hand the presence of numerous elements, storages and transport operations considerably slows down the flows run. This disables the resources and causes considerable lost of money. For example we can suppose that the annual lost of disabled resources are one tenth of the average quantity of the resources kept. On the other hand reducing the stock may lead to situations where the logistics system doesn't posses the resources required. In this case there will be losses again but this time due to the activity break. Thus the stocks in the network have a contradictory nature and incur damages both when in huge or small quantity. Good is this logistic system or network that allows maintaining the lowest costs for providing the material products. This logic leads to the modern tendency of developing the **“just in time” logistics systems** where the lack of storages is compensated by absolutely punctual delivery of material, facilities and services.

This example reveals the internal controversy of servicing quality and the costs for events logistics coverage. The choice and the application of a rational criterion for assessing the logistics management effects are of a key importance for achieving the goals of special events management.

The functional purpose or goal of the criterion is to provide secure measuring, comparisons and evaluation of the goal achievement ratio and thus to lead to the right choice of alternative decisions in achieving them. Broadly the criterion is a means for measurement and assessment of bringing near current and desired condition. Without such assessment criteria the decisions and actions are disorientated and can lead to the desired result only by chance.

The criterion essence is to measure and assess the ratio of achieving the target servicing work by comparing it to the allocated and available resources.

The event servicing work is a summarized measure for the business product created. It is a private welfare that satisfies the needs of the desired product and is created through attracting (by logistics means) of a various combination of production factors.

Depending on the number of variables used for the analysis and evaluation it is possible to build various criteria relations for logistics management analysis and assessment. Two cases will be discussed here – a simplified one with two and a detailed one with four variables.

#### **A) Two variables**

In this case there are two variables – input and output. Inputs usually are the supplied materials, facilities and services, and output – the work done. When the target work is set and the compared alternatives influence the costs for its achievement and aim at their reduction then the criterion applicable for its assessment is **the economy of the alternative chosen** for the logistics procurement. On the contrary if with the resources set we strive for the maximum possible work, then the criterion for choosing an alternative is its **efficiency**.

**Economy** –assessment criterion where a preliminary set amount of work has to be execute with minimum costs.

In the case when there is a set of target level (output) of the servicing work and we are looking for the minimum possible costs for achieving this work then we talk about looking for the “economy” alternative for logistics procurement. The criterion applied in this case is economy.

**Efficiency** – assessment criterion where with defined costs we need to execute a maximum amount of work.

In this case we have fixed resources (costs, input) of the servicing production and we look for achieving the maximum possible work that can be produced with these resources. This research and assessment criterion is efficiency.

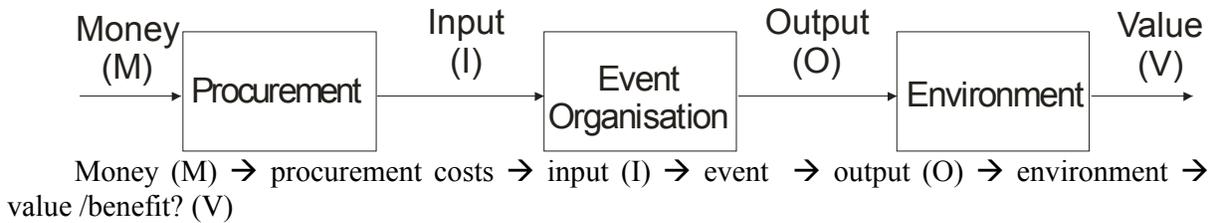
Analysis of economy and efficiency leads to identifying the cost-effective balance between the resources and the work executed that exists for every specific logistic process.

Often public work is created by different in their nature products (goods or services). In these specific cases practically we use some particular and peculiar criteria forms. Such an example are the criteria for assessing alternatives for the servicing infrastructure, acquired assets (means and servicing facilities), undertaken partnerships, etc.

#### **B) Four variables.**

This case includes four variables that trace the process of including input resources for service

production. The process starts with certain money input. This money is used for buying input resources. The output is a summarized result of the servicing. The production output in contact with the market environment creates a certain value for the money involved.



In this case the following four criteria are used:

- **Economy** = Input (I)/Money (M)

This criterion means that the best alternative is the one that allows acquiring the inputs necessary for organizing special events with least possible money. This criterion for logistics procurement assessment is logically used in the cases of limited money sources for servicing product production. It guarantees taking an acceptable but not the best decision as it is possible a certain increase of the money to lead to significant growth of input servicing factors and respectively of the product created.

- **Efficiency** = Outputs (O)/Inputs (I)

The efficiency criterion is for an alternative of logistics servicing that leads to the biggest output compared to the other alternatives at equal value of used inputs. Obviously this is a strong decision taking criterion that is difficult to be replaced with other measures. Practically this criterion gives an optimal solution in choosing logistics management alternatives.

- **Effectiveness** = Money value (V)/Output (O)

Effectiveness is the weakest rational criterion for alternatives assessment. It assesses whether the production output regardless of the means and costs creates the necessary value, benefit for the customer. Effective is everything that works regardless of the price paid for it. The effective decision is not the best decision however without it the solution offered is not rational. It can be viewed as the minimum satisfactory decision.

- **The Best Value for Money (TBVM)** = Economy. Efficiency. Effectiveness =  $(I)/(M) \cdot (O)/(I) \cdot (V)/(O) = V/M$

This criterion integrates the power of the previous three more particular criteria and assesses the best value for money achieved for the desired product. This is an extremely important criterion for economic assessment in the logistics business sector due to the fact that it operates with and assesses the achieved effects with customers' money. For the customers it is highly important how the money paid for the ordered services will be used.

In addition to the logic of the above-mentioned two criteria networks it is possible and in practice are used other particular criteria for analytical assessment of logistics procurement and

management. For example such are the criteria for investment profit, money flows turnover, liquidity, financial power, potential growth, etc. Due to their specific character these criteria will not be viewed in the present manual.

**Activity - ⌚ Time 15 Minutes**



Take an ordinary case of event with that you have experience. Check the logistic cost, servicing work, and income from the event (related to the number of visitors). Give an interpretation to the economy, and efficiency of the logistic management.

- 

Take two different events, and define which of them is economic or effective.

- 

**Reading list**

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## **Chapter 5. Financing**

### **5.1 Introduction**

One of the most important tasks, and difficult, is to manage the financing side of the organization of an event. It is not possible to hold an event without financing.

First of all there are a few questions we should ask ourselves:

- **What do I want to organize?**
- **Why, what is the purpose?**
- **What is it like?**
- **When is it due for?**
- **How much is it going to cost?**

Once we have the answers, we will have the guidelines for the development of the project and will be able to proceed to the financing stage of the process.

#### **TYPES OF EVENT**

In order to achieve the purposes of the event we are to organize, it is a priority to define the type of event.

- **What do I want to organize?**

The event could be:

- Scientific:
  - Congresses, conferences, seminars, etc.
- Cultural:
  - Exhibitions, guided tours, concerts, etc.
- Corporate:
  - Conventions, Incentive travel, FAM trips, Trade Fairs, etc.
- Institutional:
  - Flag Day, Historic Commemorations, etc.
- Sport:
  - Competitions, Charity matches, sporting activities, etc...
- Ceremonies:
  - Weddings, banquets, etc.

Every event is different and it requires a different structure with different sources of financing. Their goals are different and while some events produce considerable benefits, others will barely cover costs.

For example, a sport event is likely to be financed mainly through sponsorship from the sport labels, broadcasting rights, etc. On the other hand, a scientific event will most probably be only financed by the participants' fees and the Association or University behind the organization.

#### **LOCATION OF THE EVENT**

### **What will the event be like?**

Another basic question is the size of the event, i.e., the number of participants. It is important to decide whether it is going to welcome a vast audience or just a selected group and, for example, domestic or foreign participants as the final programme, administrative procedures and social activities will depend on the size and characteristics of the event.

Moreover, both income and expenses will vary according to the dimension, -local, national or international- of the event; and so will the different sources of financing.

Finally, the character of the event will also influence the possible economic support given by public or private institutions.

### **PURPOSE OF THE EVENT**

#### **What do I want to organize?**

A short, descriptive report should be made including the purpose, needs and characteristics of the event to be held.

#### **When is it due for?**

Timing is crucial as it implies not only the event and its organization, but also the time required to obtain funding.

#### **What character will the event have?**

To be borne in mind:

- General features of the event
  - Participants
  - Timing
  - Needed Space
  - Responsibilities

This information is necessary to define the exact profile of the event and to know whether the resources are enough to carry out the project.

**The purpose.** This is what it is to be achieved with the celebration of the event. The benefits are, according to the nature of the event, diverse:

- Economic
- Participation
- Social
- Political

- Qualification
- Public Image
- Tourist
- Scientific
- Media Coverage

Regarding funding, the major goal of every event, apart from those described above, is to accomplish the initial estimate of income and expenditure so that the final result achieves the most of the original plan.

## POTENTIAL PARTICIPANTS

### To whom is the event addressed?

It is fundamental to know the type of participants attending the event so as to tailor it as much as possible to satisfy their expectations and make as dynamic as possible in order to catch the necessary attention.

### Participant profile:

- Experts
- Professionals
- Students
- Children
- Youngsters
- Adults
- Seniors
- Technicians
- Public in general

### 1Activity - ⌚ Time 30 - 60 Minutes



<p>1. Type of the event (scientific, cultural, corporate, institutional, sport, etc)</p> <ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> </ul> <p>2. Type of participants (professionals, children, youngsters, experts, public in general, etc)</p> <ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> </ul> <p>3. Size of the event</p> <ul style="list-style-type: none"> <li>•</li> <li>•</li> </ul> <p>4. Objective of the event (economic, social, political, touristic, scientific, etc)</p> <ul style="list-style-type: none"> <li>•</li> <li>•</li> </ul>
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## **5.2 The Budget**

Once the type of event has been established, we need to know if it is possible to carry it out and to do that we need to make a budget with the income and the expenses.

### **REQUIREMENTS OF THE EVENT**

A draft budget will be drawn and modifications will be made along the organization of the event. This takes a long time beforehand and is basically theoretical.

Halfway through the organization, a second budget will be made. It will be closer to reality, with updated rates, although the number of participants will be still unknown, as well as the final sources of financing.

Eventually a final budget will be made. It will be real and operational and a logical consequence of the second.

We should highlight here the importance of the fact that unexpected costs will be appearing along the organization of the event. These are extraordinary expenses that arise throughout the development of the event and that may take up to 20% of the total costs.

### **FEASIBILITY STUDY**

An itemized budget should include the technical requirements, suppliers and necessary services for the development of the event.

According to the funds expected for the event decisions should be made about the logistical, organizational, staff and formal requirements, as well as the size of the venue to be held, time of the year and length of the event.

Every aspect of the event should be included in this study. It is necessary to know whether it is possible to organize and hold it, bearing in mind the minimum goals and the percentage of these goals over the total costs, so as to know whether the final benefits would be obtained.

A strategy to obtain funds will be designed so that the event can be successful. This strategy should attract private or public sponsors, as well as participants

We need to check that there is a demand that will accept our project. We also need to know how to achieve the necessary funds and whether the event will have any sort of profit margin.

### **HOW TO MAKE A BUDGET. EXAMPLES**

In order to make the budget we need to ask, and answer, a few basic questions. What is the size of the event? To whom is it addressed? What participation expectations do we have? Where is the venue? All these questions were answered above.

In every budget, there must be a total balance between income and expenditure.

Two example budgets are shown below. These are likely to be the most representative: a sport event and a scientific event.

The sport event is a social gathering with a large number of participants as this is a very dynamic sector that attracts widespread interest from both the audience and the sponsors if the right sportsman is chosen. As stated above, one of the main goals of a sport event is to have economic benefits.

In the present example it is easy to see in the final balance the benefit obtained, as the income was higher than the expenses, and therefore the organizers will have a surplus either for the organization of the next event or for their own benefit.

In this example, expenses are:

### **SPORT EVENT**

- Transport, accommodation and competitors' and judges' allowances and salaries, which are the logistics expenses.
- Opening Cocktail or Ceremony with the participants and the media.
- Expenses of the corporate image: event programme, tickets, posters, journals, websites (from which to sell online tickets), mailings (to the prospective participants and sponsors).
- Technical and audiovisual equipment: screens for the results, cabins for the translators, public address system, etc.
- Coordination expenses. The technical secretariat means a very important cost but at the same time it is their responsibility to ensure the success of the event, to plan, develop and hold the event from the beginning to the settling of the accounts.
  - The press office will be in charge of the media coverage of the event. Further costs are press insertions with the participants and dates.
- Venues and premises: the space necessary to hold the event.
- Public-liability insurance will cover the organizer's responsibility in case of attendees' accidents, faults in the facilities involving refunds or the cancellation of the event due to participants' injuries or withdrawal.
- Unexpected costs are included here as they are likely to appear through the event.

There are four parts in the income section:

- Participants' fees: these are the attendees to the event who pay their ticket.
- Sponsors: Sport labels and sponsors in general who will bring their economic support for material expenses, easy to justify to the public tax office.
- Public Institutions: All the funds received from the local government where the event takes place.
- Local Council: will provide the funds for the venue of the event.

**SPORT EVENT****EXPENSES**

<b>Item</b>	<b>Cost</b>
	€
<b>TRANSPORT AND ACCOMODATION</b>	10.000,00
Transfer Airport - Hotel - Airport	€ 2.100,00
Allowances	€ 3.000,00
Medical expenses	€1.500,00
Judges and referees	€2.000,00
<b>MARKETING</b>	
Posters	€500,00
Certificates	€600,00
Journal	€1.500,00
Communication and media	€800,00
Mailing	€3.000,00
Event Promotional Gifts (Caps, T-shirts, flags, etc.)	€6.000,00
Press Coordination	€300,00
<b>LOGISTICS</b>	
<b>Technical Equipment</b>	
PC projector and laptops	€600,00
Screens	€300,00
Public Address system	€600,00
Loudspeakers	€500,00
Technical Aid	€600,00
Translating	€2.150,00
Video	€3.000,00
Technical Secretariat	€6.000,00
Sport material	€1.500,00
Stationery	€700,00
Interpreters	€3.000,00
<b>Venue</b>	
Sport Facilities hire	€15.000,00
<b>Catering</b>	
Opening ceremony	€20.000
<b>INSURANCES</b>	€1.200,00
Other expenses	€3.000,00
<b>GRAND TOTAL</b>	<b>€ 89.450</b>

## INCOME

Item	Total
Participants	€25.000,00
Sport Labels	€30.000,00
Public Institutions	€30.000,00
Local Council (venue)	€20.000,00
<b>GRAND TOTAL</b>	<b>€105.000,00</b>

**INCOMES – EXPENSES = 105.000 – 89.450 Euros = € 15.550 euro Profit**

### SCIENTIFIC EVENT: A CONGRESS

For a scientific event the budget will include just the necessary expenses to hold it. It is not necessary to include large sums for design, venue, etc and it will be more economical as the goal is in the latest scientific developments rather than the economic profit.

The difficulty lies here in the sponsorship of the event as it receives neither much media coverage nor immediate benefit for the private companies. Most financing comes from research grants or the support of universities or research institutions. It is usually not more than what is needed to cover costs. Fees from the participants will help cover all expenses.

A special type of scientific event is the medical one because it attracts sponsorship from the pharmaceutical industry, interested in presenting their new products, to cover expenses such as catering (lunches and dinners), travelling expenses for the speakers, the proceedings, etc.

In this example, expenses are:

- Transport, accommodation and allowances for invited speakers.
- Catering: Coffee breaks and lunches included in the sessions.
- Costs from the scientific programme and corporate image of the event. There will be at least three programmes, two tentative and a final one, depending to the dates provided by the organizing committee, with updated information to be sent to participants, speakers and public in general.
- Technical and audiovisual equipment to be used at the sessions.
- Organizational expenses: the technical and the scientific secretariat will be in charge of the development of the programme.

- Venue. The venue will be a large Auditorium and Congress Centre
- Public-liability insurance and delegates insurances.
- Unexpected costs are included here as they are likely to appear through the event. Anyway, in this case these costs will be less likely to appear as all costs are usually accounted for.

There are two large parts in the income sections:

- Participants Fees: The main source of income for this type of event.
- Sponsors, Public Institutions and Universities: will cover part of the expenses, usually for the plenary speakers and printing. These funds are easy to justify.

### **SCIENTIFIC EVENT: A CONGRESS**

#### **EXPENSES**

<b>Item</b>	<b>Total</b>
<b>TRANSPORT AND ACCOMODATION</b>	
	€3.150,00
Travel	€9.000,00
Transfer Airport - Hotel - Airport	€2.100,00
Speaker allowance	€3.000,00
<b>MARKETING</b>	
Logo design and mark-up	€300,00
1 <sup>st</sup> Draft Programme	€900,00
2 <sup>nd</sup> Draft Programme	€900,00
Final Programme	€1.500,00
Participation newsletter	€300,00
Accommodation newsletter	€300,00
Proceedings	€3.000,00
Participant badges	€100,00
Speaker badges	€100,00
Speaker identification labels	€100,00
Mailing	€3.000,00
<b>LOGISTICS</b>	
Technical and Scientific Secretariat	€15.000,00
Foreign language speaking hosts	€1.500,00
Interpreters	€3.000,00
<b>Catering</b>	
Coffee breaks and lunches	€18.000,00
<b>Technical equipment</b>	
PC projector and laptops	€600,00
Screen	€300,00
Public Address system	€700,00
Technical Aid	€600,00
Translating	€2.150,00

Stationery	€6.000,00
<b>Venue</b>	
Congress Centre hire	€13.000,00
<b>INSURANCES</b>	€1.500,00
<b>GRAND TOTAL</b>	<b>€ 90.100,00</b>

## INCOME

		<b>Total</b>
<b>Fees</b>	300 participants X € 250,00	€75.000,00
<b>Sponsors, Public Institutions, Universities</b>	€15.100,00	€15.100,00
Marketing venue		
Stands	€ 3.000,00	
Programme website		
Printed programme		
Speakers		
Speakers Hotel		
Speakers Travel		
Speakers lunches and dinners		
Programmes		

<b>GRAND TOTAL</b>	<b>€ 90.100,00</b>
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**INCOMES – EXPENSES = € 90.100 – € 90.100 = € 0**

## RISKS AND RESPONSIBILITIES

There are times when the differences between the initial two budgets and the final one, where unexpected expenses are included, are so wide that the whole event is at stake.

### **Dangers likely to be found:**

Lack of experience in the event organization. This will result in some costs not being included in the draft budget.

Lack of foresight. Events should be prepared long time beforehand and right from the beginning a draft budget, including all expenses, should be prepared in order to know the funds necessary.

Lack of funds and participants: The budget may have been too optimistic and the financing received is not enough. The estimated attendance has resulted in a very poor real attendance. This tends to happen in the first edition of most events.

Poor organization: The date of the event should not coincide with any other event in the same field, even though the scopes are different, since this would result in poor attendance.

### **Responsibilities:**

The Organizing Committee, which will appoint an organizer or will be made up of several persons, will take full responsibility in case the overall purpose is not fulfilled, as they will authorise payments from the very first budget to the settling of the accounts.

## **EXPENSES**

In doing the expense part of the budget, it should be taken into account all the different concepts needed for the organization of the event. A set of questions should be prepared in order to know the characteristics and scope of the event.

Below, some of the main cost elements in the budget

- **Human resources needed, do we have enough staff or do we need to hire especially qualified staff? :**

Technical secretariat, hostesses, promoters, models, tourist guides, coordinators, image consultants, event organizers, protocol consultants, chairmen, speakers, security staff, medical services, translators and interpreters and clearing and maintenance.

- **Technical Equipment. What do we need?**

Public address system, simultaneous translation, recording studios, cinema production, media coverage and broadcasting, corporate videos, etc.

- **Communication. What do we need to make our event known?:**

Advertising, marketing and communication, graphic design and printing, media coverage, script writers, multimedia, web design, mailing, and merchandising.

- **Entertainment. Do we want a dynamic event?**

Entertainment, artists, DJs, Karaoke, shows, cultural visits, music evenings.

- **Stage and furnishing. What kind of presentation do we want?:** Furnishing hire, digital visual art, party commodities, marquees, platforms, stages, decor and design, stand design and assembly, flower arrangements, notices, signposting and labelling.

- **Social Programme. How many free time activities shall we offer?** Lunches and dinners, catering, gala dinners, opening and closing ceremonies, gifts.

- **The venue. Where do we want to hold the event?** Town Halls, boats, bars and discos, wine cellars and vineyards, congress and convention centres, historic buildings, castles, palaces, sport facilities, in the open air, hotels, restaurants, lounges.

- **Transport Do we need any means of transport?** Rent a car, chauffeurs, coaches, air transport and special vehicles.

**Activity - ⌚ Time 30 - 60 Minutes**



1. Think about the required staff you might need to organize the event
  - 
  - 
  -
2. What do we need regarding technical equipment?
  - 
  - 
  -
3. Which tools are we going to use to communicate the event?
  - 
  - 
  -
4. Do we need a “social programme”? (lunch and dinners, catering, open and closing ceremony, gifts, etc.
  -
5. Do we need any means of transport?
  -

### **5. 3 Income and Financing**

#### **HOW CAN WE OBTAIN THE MONEY? SOURCES OF FINANCING**

Once the budget is finished and the scope of the event chosen, the next step is to specify the type of financing needed for the balance of the budget. In any type of event there are always two types of financing: internal and external.

**Internal financing:** This is basically the funds belonging to the organization itself, resulting from previous events which were profitable and from the membership fees and private funds from the organizer.

**External financing** may come from:

**Fees:**

From the participants and attendees in the event. It is calculated in a first draft taking as a reference a previous edition of the event or a similar one in order to foresee the income and know the fees to charge. Moreover, it is necessary to know the contribution from institutions, however rough the estimative may be, before the final fees are set. Fees tend to cover 50% of the total cost of the event.

**Public Institution and Private Sponsor Institutional Help:**

## **Institutional Help:**

- Public Institutions: Local government and Town Council
- Official grants: local, national, international.

Disadvantages with this type of grants are that they require complicated forms and endless bureaucracy. Often, these grants are difficult to obtain because all costs need to be fully justified beforehand and partly or wholly returned if they do not cover the costs originally awarded for.

Another important aspect of these grants is that our event should not coincide in time with similar ones, as the sponsorship might be shared with similar events going on at the same time or simply over.

Sometimes, the grants are part of annual budgets established long before the event takes place. It is therefore necessary to apply long in advance and adapt our application to the amount awarded to that purpose.

Private Sponsors: Depending on the type and scope of the event it is possible to find private institutions (banks, saving banks, companies, sponsors, et.) to support the event partly or totally.

Sponsoring means to contribute in kind or cash in consideration for publicity and media coverage that the sponsors will receive in the short term.

When the contribution is in kind, the costs in the examples above will be covered. For example, the town council will pay for the expenses of the venue hire directly or a private sponsor will cover the travelling expenses paying themselves the tickets they accepted to contribute with.

Private sponsors may be:

**Associations:** legal entities made up by partners with the same purpose who pay a membership fee periodically with which to support this type of events.

**Federations:** Associations as a whole.

**Companies:** They finance events in order to become well known in the short term. They usually exchange their economic support for the chance to appear in the events appearing in the media.

**Charities:** These are non-profit legal entities which may have commercial activities devoting part of the benefits to support cultural, social or environmental activities.

**Sponsors:** They offer support, either in kind or in cash, in a long term consideration. The sponsors are the promoters and organizers of over 80% of the events arranged. Most events would not be possible without their support.

**Activity - ⌚ Time 30 - 60 Minutes**



1. Types and amounts of internal financing sources
  - 
  - 
  -
2. Amount and type of external financing sources
  - 
  - 
  -
3. Are the participants going to pay fees? How much? Percentage of the total event budget
  - 
  -
4. Do we need and / or have private sponsors?
  -
5. Are there any public grants we could use?
  -

**Reading list:**

**Management of Event Operations**

By Julia Tum, Philippa Norton, J. Nevan Wright. Editorial El Servier  
Curso de Financiación del Sector Turístico.  
Valentín Bote Gómez. Ed. Mc – GrawHill

**Useful links:**

<http://www.opcspain.org>  
<http://www.nexotur.com/conexo>  
<http://www.iccaworld.com>

**Chapter 6. Health, Safety and Risk Assessment.**

**6.1 Risk Assessment - The 5 Steps**

- 1 Identify the hazards
- 2 Determine who is at risk
- 3 Determine if the existing controls are adequate and amend
- 4 Record the findings
- 5 Review the assessment as necessary

Identify the hazards

A checklist can be a good start to identify the hazards present. Experience, past administrative records and observation skills are all key points here.

### **Activity - ⌚ Time 10 Minutes**

In small groups identify and group together typical hazards which events might encounter: Do you think there are added hazards depending on the location of the event, indoor, outdoor or a mix of both?

- \* Your list may include some of the points in the Appendices.

### **6.2 Hazard Categories**

- **Physical:** noise, vibration, lasers and electrical hazards
- **Chemical:** toxic, corrosive, irritant, harmful materials and fire
- **Positional:** work at height, position near water, layout of site, vehicles and use of temporary structures
- **Environmental:** heat, cold, wind, pollution and slopes
- **Health:** fatigue, dehydration, musculoskeletal injury, psychological stress

Fire is sometimes considered as an individual category.  
*Consider how the hazard categories might interact*

#### Determine who is at risk

Different people may be more vulnerable to certain hazards, they may be less responsible or more likely to take risks - consider in particular:

- Children and those caring for them
- Older people
- Disabled people
- Volunteers
- Contractors
- New and expectant mothers
- Those whose first language is not your own
- Those affected by drink / drugs / substance abuse

#### The importance of identifying those at risk involves:

- their different vulnerabilities to hazards
- their different competencies and understanding
- their different perceptions of risk
- their different abilities to respond to information
- their different behaviour in certain situations

### **6.3 The Risk Assessment Form**

There are numerous methods and approaches to risk assessment forms and their completion. Below is one such example.

Please relate such to your own existing in house assessment administrative forms and your specific legislation and legal framework within your country.

- Complete the risk assessment outline for the event
- Use a simple Likert Scale (a numbering scale)
- 1 -10 for **Severity (S)**
- 1 being low and 10 high
- And a Scale 1 - 5 (1 being low, and 5 high) for the **Likelihood (L)**
- Enter what would be the existing control measures & attempt as a management team to identify other issues.
- The Severity score is likely to remain the same, the likelihood score will diminish.
- Attempt to complete all grids
- Detail and specificity is required here.

\* Refer to Appendices for Risk Assessment Form and Risk Assessment Outline

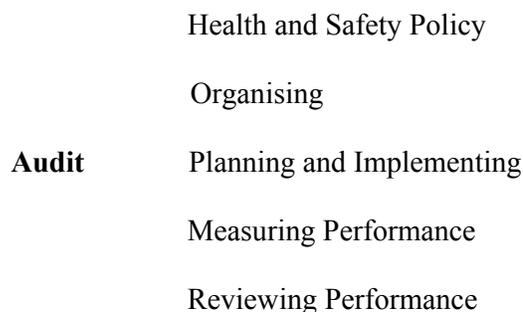
Events can be particularly sensitive to health and safety issues because:

- They normally involve an “audience” of some kind
- Risky activities may be the focus of the event
- They may be one-offs (no background history)
- They may rely on people of little experience or low competence
- They regularly involve contractors

#### **6.4 Key Definitions**

- Hazard = something with the capacity to cause harm
- Risk = the likelihood and severity of the harm
- Risk Assessment = method to determine the risk
- Risk Control = means to reduce the risk
  - To carry out health and safety responsibilities effectively it is wise to adopt a systematic approach
  - This encourages proper planning and execution of the tasks necessary for health and safety management

HSG65 Health and Safety Management System adopted in the United Kingdom



Source: Health and Safety Executive (United Kingdom), HSE (1997)

Organisations are or may well be required by law to have a written policy on health and safety, the policy should have:

- A statement of intent
- A breakdown of roles and responsibilities
- Details of how risks are assessed and controlled

Events are often multi-agency activities and these elements need to be carefully co-ordinated

## 6.5 Organising

- Organising should address: Management Control, Co-operation of all agencies, Communication at all levels and staff Competence
- The management arrangements should assure the competence of staff, contractors, volunteers etc
- There should be competent advice from specialists or consultants to address the risks.

### Planning and Implementing

- This element is concerned with event planning for safety via risk assessment and the proper management and control of the risks that cannot be eliminated
- Once the role of risk assessor is resolved the event's operational plan also needs to address who will implement, maintain and monitor the agreed controls
- Risk assessment also needs to cope with contingencies and emergencies
- Cost of controls need to be factored into budgets
- At events, last-minute checklists are normally used to ensure all is ready for doors open / live event
- The risk assessments need to be kept live and under review throughout the event to accommodate any changing circumstances. Flexibility is key.

## 6.6 Measuring Performance

For the system to be effective its performance should be measured by:

- Checking compliance with procedures - SUCCESS (= *active* monitoring)
- Logging and investigating incidents - FAILURE (= *reactive* monitoring)

Some of this checking will be part of the implementation stage and some will feed into the review stage

Measuring what is being done right is termed "active monitoring"

- Checking for compliance with established policies and procedures by questioning, observation, site inspection using checklists
- Checking that required paperwork is in place, that safety checks have been conducted as planned and that necessary training has been completed

Measuring what is being done wrong - termed “reactive monitoring”

- Investigating accidents and incidents
- Monitoring accident records and incident reports to find patterns and weak spots
- Monitoring longer term ill-health among staff

#### Successful Health and Safety Management

- Define health and safety responsibilities clearly
- Integrate planning for health and safety into the overall planning of the event - not as an afterthought
- Budget for the equipment, personnel and control systems that will be needed to cope with the hazards and risks
- Train staff and use competent health and safety advisors

**Appendix 6.RISK ASSESSMENT Form**

**Location** ..... **Assessor** ..... **Date** ..... **Copies to** .....

Subject Area	Hazard and Effect	To Whom	Severity x Likelihood = Primary Risk based on no controls $S \times L = R$			Existing Control Measures	Severity x Likelihood = Residual Risk $S \times L = R$			Action Required When Risks are Not Adequately Controlled	Other Comments

Date for Re-assessment .....

**RISK ASSESSMENT**

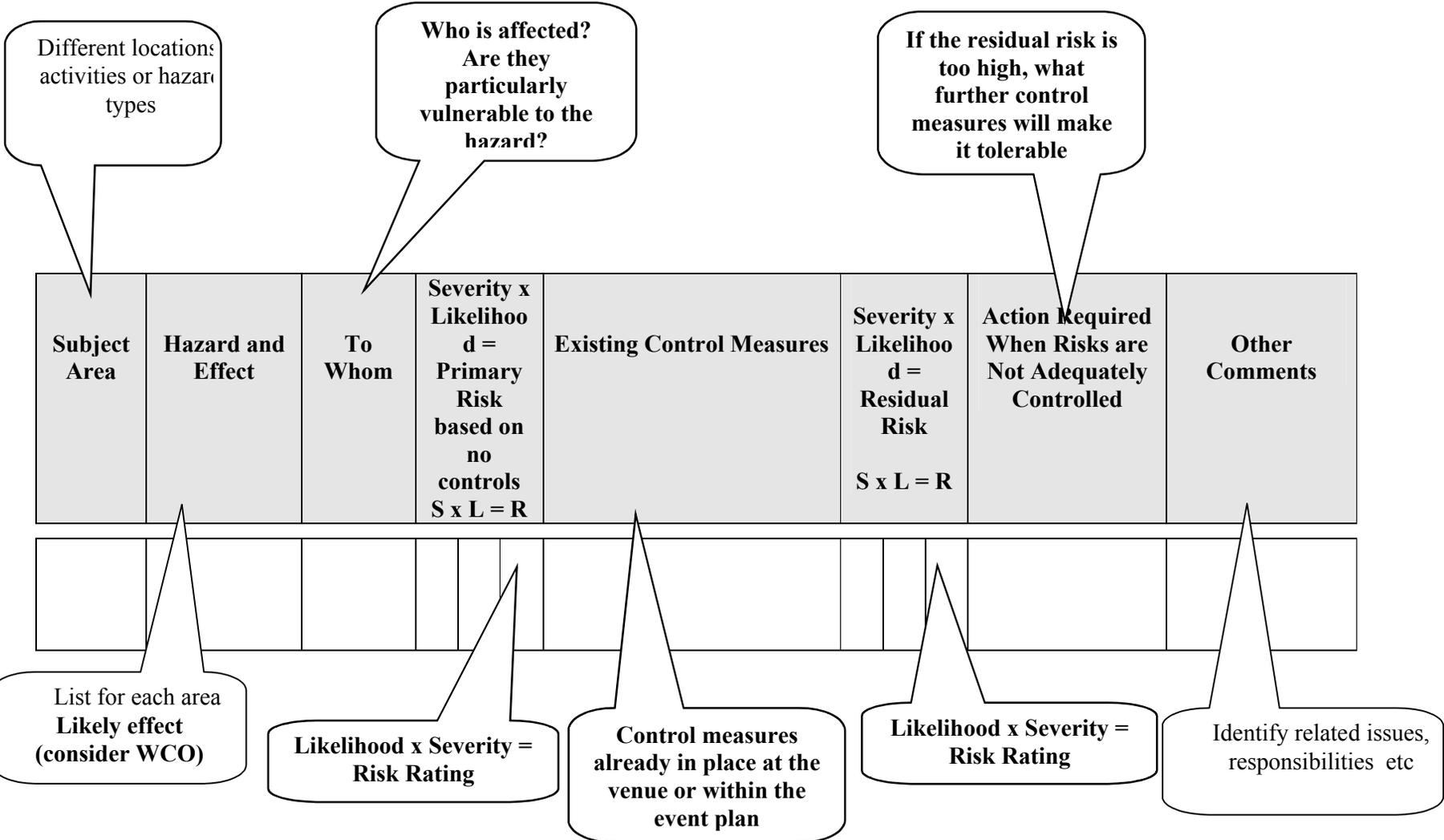
Area Assessed: **Music Festival 15,16 & 17 August 2008** ... continues 6 pages, 28 hazards

Subject Area	Hazard and Effect	To Whom	Severity x Likelihood = Primary Risk based on no controls S x L = R			Existing Control Measures	Severity x Likelihood = Residual Risk S x L = R			Action Required When Risks are Not Adequately Controlled	Other Comments
1. Crowd collapse at front of stage	One or more members of the audience falling over at an area of high crowd density causing crushing injuries.	Audience in area of collapse.	1	4	4	Area in front of stage has been inspected and will be reasonably flat and free from trip hazards, ground is in reasonably form condition	1	2	2	During periods of potentially high risk crowd activity there will be high vigilance of the crowd in high density area.	The Chief Steward at times of risk will monitor this. It is normal practice for "holes" to appear in the audience. The Chief Steward has delegated authority in the event of a crowd collapse that does not recover to stop the show and liaise with event control.

2. Barrier collapse at front of stage	Failure of front of stage barrier causing crowd collapse at point of high crowd density causing crushing injuries.	Audience in front of stage area.	10	4	40	Front of stage barrier to be approved for this application. All barriers specified to give a right angle loading of 5kN/m. Barriers to be inspected prior to opening doors on each day.	10	1	10	N/A	Barriers will also be inspected to ensure there are no gaps which could trap hands etc.
3. Small rubbish fire	Minor burns may encourage the development of larger fires.	Audience.	2	4	8	A dedicated team of patrolling stewards will monitor this and extinguish small fires with water from portable backpacks.	2	4	8	No further measures required.	
4. Large rubbish fire	Serious burns, spread of fire.	Audience, working personnel.	6	4	24	All rubbish accumulation will be sited away from public access and all rubbish will be removed before doors open on each day. A fire response team will be available on site to respond to more serious fires, stewards will respond to assist emergency personnel in dealing with fires.	6	2	12	This operation will be monitored and subject to review.	It has become common practice for fires as described to be started at festival events, it is the policy for the festival to minimise this as much as possible.
5. Vehicle and pedestrian	Motor traffic accidents involving pedestrians causing	Audience	8	4	32	Essential site vehicles will be issued with passes. Vehicle curfews will be put in place at critical times. All vehicle movement on	8	2	16	This procedure will be subject to ongoing review from event control.	This has been an issue at previous shows. Continual steps are being taken to review

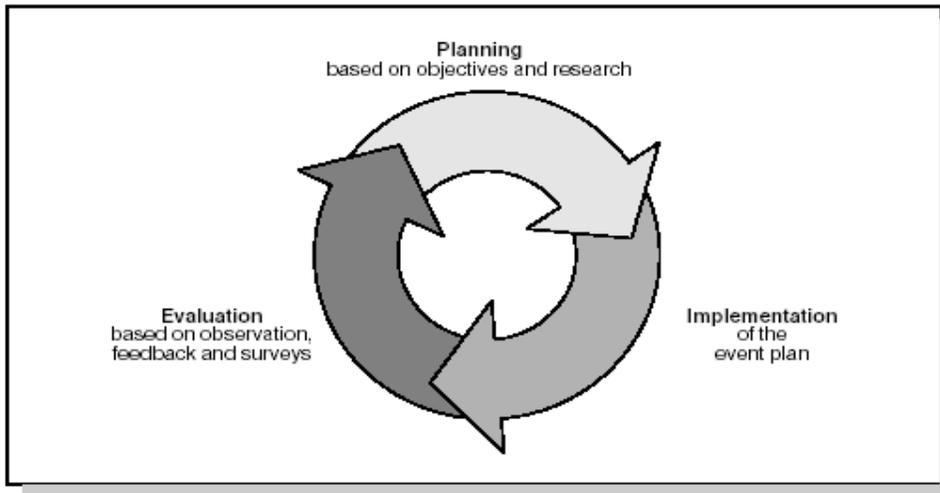
collision	serious injury or death					site will come under steward control. Emergency vehicles responding to genuine emergencies with warning lights on will be assisted by stewards at this time.					and improve this within practical limits.
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**RISK ASSESSMENT OUTLINE**



## Chapter 7. Monitoring and Evaluation

“Event evaluation is the process of critically observing, measuring and monitoring the implementation of an event in order to assess its outcomes accurately.” Bowdin et al. (2001) p. 271



### Activity - ⌚ Time 10 Minutes

In pairs. Why evaluate? In pairs – List the points

\* Refer to Appendices for points

### 7.1 Event evaluation process

1. Clearly define the evaluation criteria for the event
2. Design an Evaluation Process
  - Informal and Formal
  - Feedback from client
  - Feedback from participants/visitors etc
  - Feedback from event management team
  - Individual
3. Identify appropriate sources of information/data for evaluation

#### Evaluation and Monitoring

- **Summative** – at the end of the event
- **Formative** – considered throughout the event process
- **Active Monitoring** throughout the event planning process is required- review Watt (1998) and Shone with Parry Event Planning Models

### 7.2 Hard and Soft Criteria

- Hard criteria

- concerns the outputs, tend to be tangible and quantitative
- Soft criteria
- concerns the process and tend to be intangible and qualitative.

**Activity - ⌚ Time 05 Minutes**

- **In pairs** list as many sources of information which you may utilise via hard or soft criteria.
- \* Refer to Appendices for additional list.

**Activity - ⌚ Time 05 Minutes**

- **In pairs** list potential tools / techniques you could utilise in evaluation.

\* Refer to Appendices for additional list.

What are the benefits and challenges / drawbacks for an event management organisation in using the evaluation tools and techniques?

## **Appendix Chapter 7.**

### Potential answers to why we should evaluate:

- to identify or solve problems
- find ways to improve management
- determine worth of the event or its programme
- measure success or failure
- identify costs and benefits
- identify and measure impacts
- satisfy sponsors, stakeholders and authorities (accountability)
- gain acceptance/credibility /support

Individually place the below sources of information for evaluation under hard (h) or soft (s) criteria

### Answers to hard (h) or soft (s) criteria – some answers are debateable

- Performance specifications - h
- A positive image -s
- Total quality -s
- Resource constraints-h
- Staff commitment – s
- Visitor perceptions –s
- Management notes and commentary-s
- Sales data – h
- Visitor numbers – h
- Financial reports and accounts - h
- Deadlines -h
- A co operative attitude - s
- Ethical conduct - s
- Cost requirements- h
- Social benefits – s
- Visitor flow rates- h
- Exit surveys - s
- Visitor profiles - h
- Specific quality standards –h
- Staff and volunteer feedback - s

### Potential answers – Tools and Techniques of Evaluation.

- 1) observation
- 2) audio tape recording
- 3) interviews
- 4) focus groups
- 5) video tape recording
- 6) vox pops
- 7) suggestion box
- 8) Media monitoring – newspaper clippings etc
- 9) photography
- 10) mystery guest
- 11) questionnaires
- 12) personal log
- 13) staff meeting