Event Management
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This book contains the course content for Event Management.

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<td>American Association of Cost Engineers</td>
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<td>American Marketing Association</td>
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<td>AST&amp;L</td>
<td>American Society of Transportation &amp; Logistics</td>
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<td>Business Continuity Planning</td>
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<td>CILT</td>
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<td>CMMI</td>
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<td>Net Present Value</td>
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<td>Project Management Body of Knowledge</td>
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Chapter I
Introduction to Event Management

Aim
The aim of this chapter is to:

- explicate the concept of event management
- explain the importance of event management
- elucidate the need for event management

Objectives
The objectives of this chapter are to:

- examine the evolution of event management
- analyse the process of event management
- enlist the benefits of event management

Learning outcome
At the end of this chapter, you will be able to:

- define event management
- understand the importance of event management
- identify the various types of event management
1.1 Introduction

Every time you saw a programme like ‘Filmfare’ awards or any pop concerts and beauty pageants you would have wondered how people managed to set up such brilliant shows. Every tiny detail from your entering the venue to your going out is a result of rigorous planning. Well, that’s event management for you. It is one of the fastest and the most glamorous upcoming professions of the current day.

It does mean big money, but it also involves lots of discipline and meticulous planning to be in this profession. So if you think you are that type then go ahead and take the plunge. Planning an event is an event in itself. Your job as far as organising an even begins with the very basics. The client comes to the event manager with a vague idea in mind. It is entirely up to the event manager to work on the idea and turn it into a reality. Events could be anything from concerts, product launches, conferences, promotions, press conferences, jubilee celebrations and farewells to television based events, fashion shows, wedding or parties it could be just anything.

An event manager has to first design the basic framework, after which he prepares the marketing plans, hunts for sponsors, works on the logistics, locates the destination/site, contacts vendors, hires performers, prints/mails invitation cards, creates menus, looks after the stage lights, books the artistes, arranges for transport for different people, and on the D’ Day co-ordinates, plans and finalises every aspect of the event. Event managers usually start working months before the event. Sometimes, in order to make the work easier, large event management companies hire the services of smaller companies on a contract basis.

An excellent field to make money in fact once you starts getting the feel of the field; it will never be a problem. Even freelancers today earn anywhere between Rs. 30,000 and above today. It is a very lucrative profession. Money again depends on the kind of events you handle. If you prefer to deal with weddings and parties it may easily come around Rs. 50,000 or even more. Event coordinators with a good deal of experience could earn even in seven figures.

A person who enters into this field has to first join as a trainee. This person becomes the promotion co-coordinator. Event management companies nowadays hire lots of young people for this post. Very basic jobs in promoting the event are given to them. One could do this on a freelance basis also. The next job in this field is event co-ordination. The main job of an event coordinator is to supervise the various stages of planning in event management. In terms of educational qualifications, a graduation should be ideal though not much stress is laid on education. But there are a host of other qualities, which are essential for a person to be well-equipped in this field. These include:

- Analytical/critical thinking and problem solving: Analytical thinking, critical thinking and problem solving are abilities that are a must in this field. You should be able to acknowledge a problem, recognise that it has to be solved then and there, and always think on how the situation could be avoided in future.

- Client/customer service orientation: Client/customer service orientation is the ability to be client focused and committed to meeting the needs of your customer. An event manager has to be client focused, he must attempt to know the client’s needs, he must be able to put them at ease while interacting with them, build trust and respect with customers and clients.

- Goori Negotiation Skills: It is a general opinion that negotiating mean and underestimating the seller. On the contrary it is a skill in business which, when developed, makes you an astute minded businessman.

- Ability to work under pressure and meet deadlines: An event manager should be able to handle pressures and deadlines at ease. In spite of meticulous planning and arrangement, a small error or miscalculation can wreak havoc and disrupt the entire schedule. At such testing times, you should be able to remain calm and cool and perform your role as though everything is under control, so that others are not adversely affected.

- Teamwork, facilitation and co-operation: Needless to say, one of the most important things here is the ability to work as a team. You should not only know how to lead a team but also work with everyone and get the job done. You should be able to build efficient teams of people and facilitate their effectiveness.

- Planning, co-ordination and organisation: This involves the ability to effectively coordinate and organise oneself, others, information and/or situations at a personal and/or organisational level.
An event manager needs to build up his own network and the number of contacts he has the more successful he/she will be. Any kind of business can be only expanded through contacts and you must therefore have the skill and aptitude to go out and talk to people. Event management is a glamorous and exciting profession which demands a lot of hard work and dynamism. As the name suggests, it means conceptualizing, planning, organising and finally executing an event. The event could be of any type- musical show, concert, exhibition, product launching, etc. This industry is just five years old in India, but holds a lot of promise for expansion. It offers enormous scope for ambitious young people.

1.2 Nature of Work

Event management is very closely related to advertising and marketing. Events can be thought of as another means of advertising and brand building. Event management, as an activity constitutes of visualisation, creativity, and meticulous planning and venue management. Visualisation involves imagining the event to be a brand and then customising and promoting it as per the needs and values of the brand. This requires a lot of creativity, originality and novel ideas to lend a winning and distinguishing edge to the event so that it stands apart from the others. The creative potential of a person is tapped to a very high degree. To make an event successful, one needs to have an in-depth understanding of the product or brand for which the event is being organised, and then plan accordingly.

The execution of the event is a process of projecting a small idea in a whole new way. The presentation is what matters, to make the look and feel of the event a wonderful experience for the audience. There is a lot of logistics involved in managing of any event. It boils down to the management and co-ordination of services and supplies. During event planning, one needs to consider all the technical details like projection of lights, sound effects and other special effects to make the event a spectacle.

The design value is a major planning consideration as well, and this includes a logo creation for the event, customising the decor, furniture and the entire surroundings in such a way that it blends with the basic theme of the event. After planning comes the actual execution part, which needs to be orchestrated in a perfect manner. The venue needs to be managed efficiently in all domains which include managing the banquet area, placing security personnel at the right places, hospitality and all the other small things which provide all the participants a perfectly comfortable feeling.

1.3 The Role of the Event Management Company

The list of services that can be provided by an event management company encompasses everything that can be imagined relating to an event. Event management is probably the activity most popularly associated with the events industry. Suppliers of this important service provide a one stop shop for companies and individuals wishing to hold an event or party. Event management companies have a wealth of contacts supplying of all types of services relating to the events industry and take on the responsibility of coordinating all the logistics involved in making the event work to the client’s satisfaction.

This basically involves doing all the running around, booking the venue, arranging the catering and entertainment as well as all other ancillary services necessary to make the event run to the client’s complete satisfaction. They will also be in attendance at the event to ensure that everything runs smoothly and to plan. When organising corporate events, the event manager will generally liaise with company’s PAs, Human Resources and Marketing departments, depending on the type of corporate event that is to take place.

For an event being organised within the company, such as a staff Christmas party, the event management company would normally be contacted by a PA or member of the company’s Human Resources department. For external corporate events such as product launches, the event managers would more likely be contacted by the marketing department of the company holding the event. Event managers also organise private parties for individuals such as birthday parties, anniversaries and weddings.

The types of individuals who contact event management companies are usually wealthy people seeking a company who can take away all the hassle of organising a party. Such individuals have the resources necessary to afford the service provided and are happy to do so in the knowledge that the imagination and logistics coordination that event managers provide ensures that the event will be a memorable experience.
The list of services that can be provided by an event management company encompasses everything that can be imagined relating to an event. Such services include venue finding, catering, marquee hire, lighting and decor, entertainment, band, disco and all musical entertainment, provision of drinks and hire of mobile bars, hire of all necessary event staff, florists, photography and videography services, security, transport, valet parking, hotel reservations and invitations and invitation management. The types of corporate event that event management companies are typically asked to organise include - in no particular order - product launches, staff Christmas parties, staff summer parties, incentive days, team building activities, family fun days, corporate hospitality and conferences & seminars. They are also increasingly being asked to organise children’s corporate events such as corporate Christmas parties for children of the company’s staff. For some types of external corporate events, such as product launches, it is not uncommon for the event manager to work closely with a public relations company under the PR Company’s banner. Event management companies will often help each other out, utilising each other’s strengths.

For example, a company specialising in organising trade conferences might ask a fellow event organiser to coordinate the post-conference entertainment if that company’s expertise lent itself more to this specific type of event management organisation. Some event management companies specialise in particular types of activities such as team building with others, for example, only providing services relating to the production side of an event. Caterers and entertainment agencies will also often have an event management string to their bow. As the event manager coordinates all the logistics involved in putting on an event, they will be incurring considerable expenses in addition to their fee for doing so.

The industry standard is to charge the client in advance of the event. Upfront fee schedules vary from company to company but it is not uncommon for the client to be charged 10% upon booking confirmation, 40% three months prior to the event with the balance 50% payable a month before the event actually taking place. The reason for this up-front payment system is that suppliers whose services that they utilise usually require to be paid in advance. Whilst some companies and individuals employing the services of an event Management Company may find this prior payment system unusual it is no more unusual than employing the services of a package holiday company who will charge for their services in the same manner and for the same reason. Christmas is probably the busiest time of year for event management companies on account of the demand from companies seeking their services to organise festive corporate events such as staff Christmas parties.

Christmas parties can be themed in a bespoke manner and arranged in either a chosen venue or at the company’s premises. Holding an in-house themed company Christmas party could, for example, involve the event manager arranging for desks, furniture and equipment to be removed from client’s office with this space being transformed into a burlesque nightclub for the evening. This feat would be followed by all the furniture being reinstalled the next day to ensure that, employee’s sore heads aside, business can continue as usual the next day. This type of Christmas party is especially popular with creative types of businesses such as advertising and media based companies. Event organisers will also often hire a venue for the month of December and provide it with a theme, for example Moulin Rouge, which can then be offered an a themed Christmas party throughout the festive period. This is done by either hiring the whole venue to a different company every night or, for smaller companies wishing to hold a staff party, providing a shared Christmas party with different companies occupying separate tables and space within the venue at the same time.

Bulk-buying in this manner enables event management companies to provide clients with excellent value for money with what is essentially a package deal for a quality experience. Other busy times in the event manager’s calendar are February to August which is a popular time for conferences to be held and May to July which is busy period in the year for team building activities, summer parties, incentive trips and corporate hospitality. August is fairly quiet on the corporate event side although popular for private parties with September to November usually being another busy time for conferences. When choosing an event management company it is always advisable to meet the company to ensure that you feel they are confident that they can organise the event as required. Common sense dictates that you should ask them for testimonials as well as requesting a client list. For larger and international events it is advisable to choose an event management company who has big name companies in their client portfolio. Once satisfied that the event management company you have chosen is capable of delivering the service that you desire, sit back in the knowledge that they will do all the hard work, enabling you and your guests to enjoy the event.
Professional event management companies service both the corporate and public sectors, ensuring that all aspects of the event are taken care of to the client’s complete satisfaction. Corporate event management companies’ organisational expertise can be applied to such events as themed dinners and entertainment, corporate Christmas parties, charity and fundraising events, corporate hospitality, product launches, award ceremonies, road show promotions, exhibitions, conferences and meetings, team building and staff motivational activities.

Professional corporate event management companies are also adept at organising incentive travel and development training packages as well as providing other services such as venue finding, staging and audio visual solutions. For the public sector, event management companies specialise in organising all aspects of a wide range of events including private parties, summer balls and seasonal parties.

1.4 Events

Events are something that takes place; an occurrence or a social gathering or activity. This is the meaning of events as given in a dictionary let’s explore this further. In today’s scenario, events are an organised business. It means putting all three points from the meaning of an event together i.e. an occurrence that is significant that creates a social gathering and/or an activity. Events are all about generating excitement. Excitement that fires the mind and the imagination. Excitement that lasts longer than the event itself.

Excitement that generates interest and fires the need to “be there” and be a part of something large or small but something exciting nonetheless. Events have been a part of human society ever since mankind became a civilized lot. Events were a form of breaking the tedium and monotony of everyday life. Events generally revolved around or emanated from religious ceremonies and/or holy days. From the days of the glorious Roman Empire, Gladiators, Lion pits, Olympics were all events that brought thrill to the life of the common man and emperor alike. Even today, gladiators may not exist (except in movies) but Olympics do. Just like our very own Goan Carnival. For four nights in Goa-before Ash Wednesday. It started as a way to “put away flesh” careleivvare in carelevvare in Old Italian. Cam meant flesh, and leavare to remove. In course of time, Goa Carnival became a time for bonhomie. Crude mimicry blossomed into social satire. In the villages, the playwrights pieced together in Khel (Konkani for play) anecdotes, events and criticism. The Portuguese Governor General, his family and retinue used the occasion for a show of diplomacy. Today the tradition of the carnival carries on, year after year and it has little to do with the leasing of flesh, but more to do with the fact that Goa is a place of tremendous tourist potential and the “carnival season” as it is now known, generates more revenue for Goa just as the season is coming to an end. The “event” brings excitement and thrill to the lives of the people involved the spectators and of course brings in the moolah. Just like Madi gras in New Orleans. New Orleans knows how to throw a party! The city’s largest celebration, Mardi Gras, has been called “the greatest free show on Earth.” New Orleans Mardi Gras began in 1837, the year of the first street parade. Noticed how the word “excitement” keeps popping up, because at the end of it, that’s what it’s all about.

Objectives of Events

Broadly speaking, events are organised for fun, work, launches, parties etc, the list is fairly endless. Traditionally there are four types of events:

- Leisure events
- Cultural events
- Organisational events
- Personal events

We will take each one individually and study examples in a very simplified form.
Leisure events
Simply put, these are events held purely for the fun of having an event. For recreation, like a party, a sports competition, or a fair. Leisure events are held to involve the person taking part in the event without actually expecting an immediate result.

Cultural events
Events that bring out a cultural heritage or happening. Much like the Goan carnival talked about earlier. These have an impact on society and people who are a part of it. These are high community involvement events. A community can be a religion, a race, a cast or even a college. Let’s define a community. A group of people living in the same locality and under the same government, the district or locality in which such a group lives. A group of people having common interests: the scientific community; the international business community. A group viewed as forming a distinct segment of society: the gay community; the community of colour. So what do we have here? We have a set of people sharing similar interests and celebrating something together, it could be their religion, could be their college festival etc.

Organisational events
These are events that tend to be well organised and have implications and interests that are commercial, political, sales driven etc. events of this nature are generally with a specific agenda. It is generally informative or sales driven or has some commercial value in tangible or intangible terms.

Personal events
These are generally events that are held on a very personal level, for family and friends etc. these are generally by invitation and the number of people involved is high. One of the underlying facts differentiating the types of events is also the number of people who take part in the event or are in some way involved.

1.5 Event Characteristics
Events as all other services have some distinct characteristics, which make it as much a part of the marketing function as communications. These are:

- Uniqueness
- Intangibility
- Rituals
- Personal interactions
- Time scale

Uniqueness
The event has to be unique and different in order to be remembered. Recall and remembering of an event are the signs of a good event. Although an event may not always be a happy event, but in this case we would refer to happy and pleasant events. One would safely assume that a wedding is a wedding is a wedding. But truthfully we would be making a wrong assumption. Even if two weddings were to be held on the same day at the same location, they would not be the same, they would differ in terms of timings, number of people visiting, the way people interact etc. so the two events or in this case the two weddings would be radically different. So an event must be unique.

Intangibility
Events in general are as intangible as any other service, which means that you can see the event, and even experience it, but you can’t touch it. Much like the toothpaste you buy, you can see and feel the toothpaste therefore it is a tangible. But visiting a mall does not cost you anything yet you can sense the ambience and get a “feel” of the place and the service provided, these are intangibles, can be felt and experienced. Events are the same; they are intangible and cannot be felt. But what event managers do is, they have what they classify as “give always”. A cap, a wristband, a t-shirt, a prize etc. These make the event tangible even the giveaway acts and works like a memorabilia, it’s a remembrance that whenever seen, viewed or felt acts as a reminder of the event.
**Rituals**

Oscars, a tradition started to award the best in a particular genre. The tradition has remained and become a ritual. And the largest event in Hollywood. Started in 1929 for b/w films,... moved into colour in 1966.... More hi-tech and more glamorous, more exciting, more thrilling and with worldwide coverage remains a tradition and an event looked forward to every year by the best in the business.

**Personal interactions**

In a sports tournament the spectators are part of the tournament as much as the players are. They also help in building the atmosphere and ambience of the tournament with cheering and flags and face painting etc. so while the viewers may not actually play the game they are certainly as involved with the event as the players are. Therefore the action and reaction of the people are a critical aspect and part of the event. It is necessary to create the event based on the kind of people who are going to be a part of it. Because simply put, if the people who will be a part of an event or are spectators do not enjoy the event, the event is considered a flop or a failure. So it is naturally important for us to know who the target audience is or for whom the event is intended. Imagine a situation where you create a party for people in the age group of 18-25 and have a performance by a kathak dancer. The target audience least expected to enjoy the performance. So do you know how important the personal interaction is in order for the event to be a success.

**Time scale**

Events do not go on forever, they do have a lifespan. Although, events could go on for some days or an evening, an hour or even a yearly event. The timing of the event determines the kind of event that will be held. If it is an evening event, the lighting, the stage, the colour of backdrop etc will be determined separately as opposed to if the event were conducted during the day. Timing is also kept in mind when planning an event, because preparation for the event, pre and post and wrap up etc are decide the magnitude and size of the event. Timings also play a role in planning an event when we have to work out the schedule of the event because we need to know how long an event will last, whether it will be an hour or two and what will happen during the event and how much time each item will take. Timing is critical in events. Imagine a launch where the product is revealed while the chairman is still introducing the product, when the schedule specifies that the product reveal must happen after the speech.

**1.6 Types of Event Management**

In order to be successful in the field of event management, no matter what department of specialisation one needs certain qualities, which are as follows:

- Negotiating skills
- Creative skills
- Convincing skills
- Coordinating skills
- Planning skills
- Executing and implementing skills
An individual with the aptitude for the above and interest in the field would make a successful event manager. It does not matter what maybe the types of event management, one need to be adept in the above skills. This is because this is a people’s industry, where everything is based on effective communication skills at all levels. And professional event management service entails optimum communication skills, as well as ability to look into the minutest details of things in order to ensure optimum level of execution.

Given here is a list of the varied events that are organised by the cross section of event companies:

- Business events
- Corporate events
- Cause-related events
- Coordinating skills
- Fundraising events
- Exhibitions
- Trade fairs
- Entertainment events
- Concerts/live performances
- Festive events
- Government events
- Meetings
- Seminars workshops
- Conferences
- Conventions
- Social and cultural events
- Sporting events
- Marketing events
- Promotional events
- Brand and product launches

**Corporate event management**

One of the most important aspects of any company is the varied events that are organised not only within the company, but also for the clients and customers. This is because one of the prime objectives for hosting events is to build on relations. Usually corporate houses encourage in house events for the staff in order to motivate them from time to time, as well as to upgrade the knowledge and skills, in order to be along with the times. They also encourage staff to attend seminars, conferences and conventions in order to keep them abreast with the latest trends. Such corporate events also become a meeting point for others from the same field to share varied aspects. This is more like a formal social forum for executives and managers. These are rather serious events and are mainly handled by the corporate, itself. However, in order to organise a formal event on a larger scale, this may be delegated to the public relations company handling the companies PR activities, or then maybe given to a corporate event management company. Apart from the serious events, there are the fun, celebratory ones. These maybe organised to celebrate the main festivals, or then the success of a project. These are mainly organised in order to build an environment of closeness amongst colleagues.

This is because human resource executives and managers realise the importance of encouraging healthy interpersonal relations in the office to maximise staff efficiency. Corporate event management services India includes the in-house events, as well as the larger once to launch and promote products and services. Most service providers double up to even take on the role of public relations and media relations. More often than never company event management planning is done on an annual basis. The event calendar is determined according to the budget set aside for the events, as well as other aspects that differ from one corporate house to another.
Global event management
The biggest events are those that are arranged at a global level. These international events are mainly the sports events, like the international competitions that are hosted by various countries each year. In fact, for global event management for an event like the Olympics, preparations begin well in advance, which amounts to five to six years prior to the event. These large-scale events also require Government involvement in order to meet expenses and ensure safety and security of delegates from varied nations. While international sports largely represent the term global event management, but it also includes other events, such as live performances by international artistes. For instance, the pop stars and rock stars being brought to India for their concerts and shows. These are mainly hosted by the large event companies and sponsored by the bigger corporate houses, as this becomes a major advertising vehicle for them. Then there are the international social and cultural events hosted at an international level. These are mainly those that created to create widespread awareness with regards to varied global problems such as global warming. Take for instance, the Hollywood stars being roped in by WHO in order to make people aware of the dangers and problems of AIDS. They travel across the world spreading awareness. There are numerous event management consultants who render their services in the varied departments of event management. It is not possible for just a few people to put together a global event, and do require the services of a number of consultants, who can be delegated important tasks for the event. Usually, event companies prefer working with consultants, who are roped in on project basis, rather than being over-staffed unnecessarily.

Private events
Not all events need to be large-scale ones where one and all are invited. There are certain private events that are hosted for a selective guest list. The guest list is predetermined. In fact, for events such as these usually the guest list is the first stage in planning and the rest, such as budgeting and venue finalisation, follows. These events are not just weddings and birthday parties, but also corporate and celebrity events. Amongst the slightly larger scale private events are product launches and movie premiers. In such situations the event manager/company is provided with the list of people to be invited. The manager/company is also assigned the responsibility of designing the invitations, which are then generally circulated by the company hosting the event.

The guest list could be limited to family and friends of the company, or then a selection of loyal customers and clients. The reason for these events being called private is that they are not open to the general public, but only strictly for invitees. Events on a private basis, as mentioned are also the weddings and birthday parties. Nowadays, an increasing number of people are delegating their-wedding plans and event to wedding planners who manage everything for them, including sending out invitations if asked to.

The same is with children’s birthday parties. Working parents find it rather difficult to organise a party for their children and so prefer to a sign the task to an event management company that can professionally manage the entire event and give the children a memorable party. The reason why an increasing number of people a point companies to manage their events, because of the professional way in which everything is managed, without the host/hostess having to go through any stress. They do not mind shelling out a fee for the event being organised then they will be running all over the place putting the whole thing together. It just makes things simpler when it is all organised, than organising.

Small events
Whether the event is a small one or a grand one, it does not matter, as the organising the event requires the same process. It is just the scale at which they are organised that differs. At the very base of any event is the planning stage. This first involved understanding the small events at hand - the purpose and target audience. This sums up as the objective of the event. Once this is decided then budget that is allocated for the event needs to be decided. Based on this the accountant or finance manager is required to make a statement of cash flow. When preparing this he/she should maintain a margin of about 5% to 15% over the aggregate calculated budget, in case the need arises. This is known by many, as the emergency fund. This person should also be in-charge of allocating funds as and when required and monitoring the cash outflow, as well as inflow when it is a commercial small event management assignment. When it comes to party event management, fewer people are required to put it together. First, the event manager needs to sit with the client to finalise the preferred venue. If the client desires a theme party, then all arrangements have to be made. In fact, then the manager is required to make all arrangements in accordance to theme.
For instance, if the party is a black and white party, then invitations and the entire decor should be in the combination of black and white. Also, the guests need to be informed about this, so that they are dressed up accordingly. Children’s birthday event organisers seem to have all the more fun, as they take over the responsibility of also entertaining the children. They organise a show for the children, depending on the selected theme of the party. There could be a magic show, or then a Charlie Chaplin performance. The event organisers are the ones who ensure that the child has a memorable celebration, leaving the parents rather stress-free and enjoying the party as much.

Grand events
For those in the field of event management field that there could be no more excitement than there is in this profession. Yes, there are times of anxiety and stress, but these come and go like the rain clouds on a sunny day. Otherwise it is all about fun and games at work. And those working for companies that host grand events have a lot more fun than others; they get to meet celebrities from various walks of life. And when they meet the one they have always, they feel all their hard work has been paid back. The events on a grand scale include international events such as the concerts and live performances, wherein rock stars and pop stars are invited from around the world to perform here. Or then, the events are a part of the star’s world tour, with a stopover on Indian soil. These events include the likes of the live performances by Michael Jackson, Bryan Adams, U2, amongst numerous others. There are also the global fund raising events that are delegated to event companies by world social and non government organisations such as WHO, UNESCO, UNICEF, amongst others.

These events mainly have international celebrities spread awareness regarding varied global concerns on various platforms and stages, depending on the decision made by the association they represent. A prime amongst all the events on a grand scale is the sports events. These include all types of sports such as cricket, hockey, table tennis, swimming, tennis, squash, etc.

In the recent past some corporate houses have come forward to host international sporting events in India. However, the most important aspect that one needs to keep in mind is that security information and event management go hand-in-hand. Organising an event on a large scale with global delegates coming to India, means taking all security measures to ensure the safety of the not only the foreign visitors, but also all others gathering at the venue. It needs to be kept in mind that any faltering in security could cause damage to the company’s future prospects.

Musical events
Music is an important aspect of almost every. It is not only a form of entertainment, but also a way to relax and be at ease. In fact, many are ready to pay any amount of money to attend a live performance by their favorite singer/musician. No wonder, musical events have been a success through the years. These include the international performances, as well as those by the performing artistes of the nation. Musical shows go almost packed, with people struggling for tickets as the date of the performance approaches. And the more famous the performer, the higher the success rate of the event.

However, in order to meet such success the company has to undergo a long process in making the event happen. For international performances, the company has to make a lot more arrangements, and one of the biggest challenges in front of them is that of security. When arranging a globally renowned performer the company is responsible for the taking care of the performers stay in India, as well as his/her tour through the cities that have been short-listed for the performances. In the case of music event management, the company stands to earn from sponsorships, as well as sales of tickets. However, no company can depend solely on the sale of tickets to recover expenses. And the fact is that a number of companies are ever ready to sponsor and support such functions as they realise the potential these events to create awareness of their products and services. For such events one has to be on their toes throughout, and whether the performer is from the international or domestic arena, the fact is that big budgets are involved. And unless and until the entire show is not wound up, one can really not rest. In fact, the event company has to also take the responsibility of clearing up the venue after the event, and ensure it is in the same condition, as it was handed over to them.
Sports events
One of the most important aspects of people’s lives is sports. In fact, most people around the world, of all ages are passionate about some sport or the other. They either pursue it as a hobby or leisurely activity, or are involved in it as participants at competitions of varying levels; then they are mere spectators at sports events. Keeping this in mind, since eras together, events in the arena of sports have been an integral part of society, at large.

Sports event management, whether at the inter-school or inter-collegiate level, as well as those at a larger level requires a lot of planning. This is not just about the venue, but the entire event - the pre-sports (qualifying rounds) leading up to the final day event. In fact, sporting events such as the international football, cricket, tennis competitions, for instance need planning and implementations well in advanced.

Preparations for the Olympics begin five to six years prior to the event. And this is not only about preparing the various venues, but ensuring that the infrastructure of host country is ready to accommodate participants and spectators from around the world. Managing events in the field of sports cannot be done by a team of ten to twelve people. Hundreds of people are involved in putting together international events. There is a also a lot of money involved in the management of sporting events. And the sponsors are ready to lend their complete support, knowing that during events such as the World Cups, the spectator’s amount up to hundreds of thousands. Apart from ground sponsorships, there are companies, who advertise on the channels that own rights to relay the events. Thus, the sources of income for these events are varied and numerous. These events also cost immensely, and so apart from ticket sales, sponsorships are a major part of the returns for these events.

Fashion shows
The fashion industry is an integral part of daily life. In fact, today, in India this industry is growing by leaps and bounds, each year. It is not only about the domestic fashion gurus, but also world fashion that is reaching Indian shores almost at the same time a new trend is launched in the west. Another vital achievement is that a number of Indian fashion designers are rubbing shoulders with those of the west. One of the most important platforms for fashion designers to showcase their work are the fashion shows.

Today, not only are Paris and Milan important fashion centers, but the list also includes India on the global fashion map. These shows are not meant for the day-to-day consumers, so to speak, but are used as marketing and launch platforms. In fact, any designer with his or her own label, launch each new season with a show. They hire the top ranking fashion models who walk the ramp in their range of clothes. Buyers and sellers form the larger section of the audience. Apart from the designers, textiles designers, and other players in the industry also showcase their line of products at such events and shows. These are then relayed on various television channels for the general public.

One of the most important requirements in a fashion related show is the security event management system. This is vital, as those attending the show are high profile professionals from various walks of life. Usually this task is handed over to a professional security company that has guards posted at various positions in order to ensure the smooth run through of the event.

Children’s event
In the present day and age, professionally handled events seem to be the call of the day. And this is the way most parents are opting to celebrate their child’s birthday. Since it is a once-a-year occasion, most are prepared to spend extra bucks on giving their child a celebration to remember. For this they approach managers and organisers, who are also into children’s events. Event planning management for children’s events is more often than never theme based. Apart from the birthday parties there are the festive parties such as Christmas, Diwali, Children’s Day, etc. the list also includes special camps during vacations. The managers are responsible for arranging the entire occasion, after sitting in consultation with their client over the theme of the party.

In fact, most event companies have a fixed budget for such events and in accordance give their entire price list and then organise the party. Kid’s birthday parties are in fact rather simple to put together. And companies, as well as individuals specialising in this area of events have a fixed team with which they have to coordinate to put the party together. The team usually includes the caterers, performers, novelty item suppliers (for the take home gifts for other children), the music providers and entertainers, as well as a couple of people, who look after the kids so the
parents are absolutely free and can enjoy the party themselves. In fact, these form the very basis of birthday party event management.

There are a number of birthday party organisers, who work independently. This means that they do not run a company as such. They work on an individual basis and put together an event by coordinating with the required people. Such organisers include homemakers, as well as college students. These event planners are as efficient as any renowned company. They mainly look into small events such as birthday parties and weddings, depending on the scale.

1.7 Exhibitions and Trade Fairs
For every business to flourish, through the year they need to be a part of various business related events. These are primarily the exhibitions and trade fairs. There are certain companies that organise such events in their related industry. These are held either at a local, national or then global level. These are extremely important forums to create further awareness within the industry, as well as amongst other consumers.

Event marketing and event promotion
One of the most important aspects of event managements is promoting and marketing the event. And advertising as a tool cannot be underestimated in event marketing & event promotion. Almost every event, except for the private parties and events have kept aside a budget to cover advertising costs. And those involved in event marketing & event promotion need to first analyse what type of media would reach their target audience. And the choices include:

- Commercial Television
- Cable Television
- Radio
- Print
- Road shows

There, are also other means of advertising that include hoardings and sky balloons, amongst others. Commercial television is being regarded as the most effective means of reaching out to the masses. And today with the television boom and the increasing number of channels, this is being proven as an effective means of promoting events. However, for advertising on television, a large sum of money needs to be kept aside. Ideally, the event organiser should tie up with sponsors that already have advertising slots. In order to reach out to the local audience then cable television marketing is effective. Radio, another medium of broadcast mass media, is also proving to be effective, in the recent times, with the increasing number of FM channels. A medium that has been tried and tested through the last century has been the print media. Apart from advertising events, companies also seek genuine write ups in the various publications. For this they host press conferences.

Conference event management
With every passing year there is a lot of advancements beings made in every avenue of life. This is because of the research and development in every field and industry. And this calls for the need for constant upgrading of information and knowledge in order to keep oneself and staff abreast with all the latest developments. Keeping the importance of this in mind companies host conferences. These held and hosted at various levels. There are the in-house conferences, which are hosted by the company, only for its staff. This is usually related to the new advancements that need to be incorporated in the company, in order to bring it up to the present time. Generally, experts from outside are invited to address the participants at the conference, taking the shape of a workshop. Then there are the conferences that are held by the association that represents a group of companies, or an entire industry.

Here the goal is the same as for any other conference - to share all the latest that there is in the industry. Some companies also announce their latest plans, as well as share varied industry related grievances. There are also forums for professionals, such as conferences for doctors, dentists, people associated with non government organisations, etc. Conference event management also includes those that are held at a global level. These have delegates from varied countries coming together and sharing the progresses and problems they face in their home country. Another term for conference is convention. Essentially, as mentioned earlier these are forum for sharing all aspects of the represented community in the working arena.
Product launch event management
In the present day and age, there is much competition to be faced by every walk of life. One walk down the mall and one can see the amount of competition amongst companies to maximise buyers. And the fact is that there is always room for more. As competition means improving and improvising quality in order to maximise profits. Thus, there are companies that are ever ready to walk down the risk highway and launch new products. However, in order to ensure that the launch is actually profitable, there is a lot of planning that needs to put in. The launch is not just about placing the product in the market, but also announcing it in an alluring manner to the consumers. This entails not only appropriate advertising channels, but also events that create further product awareness. Gone is the time when hoardings and advertisements would do the magic. Today, companies have to think out of the box in order to create widespread product awareness. This is where product launch event management comes in. The event managers, in tandem with the company launching the product have several brainstorming sessions to decide on the varied events for the launch. Nowadays the preferred ways of launching products is through interactive events. Some companies host events wherein they invite people who have won contests and competitions held by them. Or then they host an exclusive party for their select loyal customers in order to showcase their new range. This is something done by automobile companies amongst others.

Event management software
The field of information technology is constantly engaged in making life simpler for everyone, no matter what the field. This is also for the field of event management. The fact is that in the recent past, software developers have been inventing, or rather creating event management software, which reduces the burden of budgeting and accounting amongst the other tasks that can be recorded as software.

There are some companies that have hired information technology professionals to work in tandem with their teams in order to create complete event in management software solution. This means that the software is not just to make things simpler for the finance and accounting department, but also for the rest of coordinators. There is also the event management calendar software for companies to keep track of the events they are assigned to take up. This is essential as some companies are so burdened with work that they tend to overlook tasks of certain projects and at the last moment work under immense stress. An important aspect of the calendar is the processing scheduling event management software, wherein the entire scheduling for the event is maintained with reminder alerts for the tasks to be done. There is also the specialised supply chain management software, which is used by malls and event companies delegated events for retail outlet. This is largely that software, which is required by companies that have a chain of outlets. There is also the client event management software, wherein the event company maintains a track record of the yearly event plan for the company. At the end of each event, a proper report is prepared in order to review if things went as per plan, or not.

Advertising the event
Usually, event management companies work in tandem with the advertising agencies in order to effectively market the event, as well as create widespread awareness about the event. Advertising the event is an important aspect, which actually makes an event successful. Some advertising agencies also provide event management planning solutions to help event companies reap in more profits.

1.8 Careers in Event Management
Off late event management has been considered as an exciting career option. In fact, until five to six years ago there were not too many event management companies, and as industry the turnover was no more than 18 Crores, in the early 90s. However, things began to change and by the end of the financial year 2007-2008, the industry is expected to be worth no less than 1800 Crores. Careers in event management seem to be alluring more and more youth. In fact, even homemakers have stepped into the industry and organise small and private events in their spare time. Also, there are event management companies that that take on consultants, who work with them on a freelance basis, as and when the need arises. Thus, there is a lot of scope in the field of event management. And the event manager jobs are ever increasing. Earlier one was employed and learnt the ropes of the trade on the job. But now there are vocational courses - diploma and degree in this field. These courses provide theoretical information, which then is implemented during the internship period. And on the completion of the course, one is almost like any other seasoned event manager.
Amongst the job openings in event management are those in the following departments:

- Visualising concepts
- Planning
- Budgeting
- Marketing
- Organising
- Coordinating
- Executing

One can also select a few areas of event specialisation that include:

- Fashion shows
- Musical concerts
- Corporate seminars
- Exhibitions
- Wedding celebrations
- Theme parties
- Product launching

1.9 Event Management Industry in India

The economy of India is growing by leaps and bounds and there are various ever-growing industries that are contributing to increasing the nation’s coffers. One such industry is that of event management. This industry has come a long way in the last five years or so and today is no less than a multi-crore industry, as a whole. And the size of the companies varies from the rather small ones that manage small events such as birthdays and weddings, to the larger players, who organise national and international events. During the early part of the 1900s the industry had spent up to Rs. 20 Crores, per annum on events. And in the last couple of years, all the event companies ‘are spending to the tune of approximately Rs. 1,800 Crores, per annum. The event management industry in India involves the requirement of various skills that have caused it grow the way it is in recent past. These skills include:

- Organisational skills
- Technical knowledge
- Public relations
- Marketing
- Advertising
- Catering
- Logistics
- Decor
- Glamour identity
- Human relations
- Understanding of laws and licenses
- Risk management
- Budgeting
- Study of all allied media
- Local and national, as well as international events
**Summary**

- Event management is very closely related to advertising and marketing. Events can be thought of as another means of advertising and brand building.
- The main job of an event coordinator is to supervise the various stages of planning in event management.
- Analytical thinking, critical thinking and problem solving are abilities that are a must in this field.
- An event manager should be able to handle pressures and deadlines at ease.
- Professional event management companies service both the corporate and public sectors, ensuring that all aspects of the event are taken care of to the client’s complete satisfaction.
- The field of information technology is constantly engaged in making life simpler for everyone, no matter what the field.
- Musical shows go almost packed, with people struggling for tickets as the date of the performance approaches. And the more famous the performer, the higher the success rate of the event.
- A small seminar or meeting does not need excessive fanfare whereas a product launch, end of-year corporate event or summer ball calls for much more flair.
- Planning, co-ordination and organisation involves the ability to effectively coordinate and organise oneself, others, information and/or situations at a personal and/or organisational level.
- Organising an event on a large scale with global delegates coming to India, means taking all security measures to ensure the safety of the not only the foreign visitors, but also all others gathering at the venue.
- Software developers have been inventing, or rather creating event management software, which reduces the burden of budgeting and accounting amongst the other tasks that can be recorded as software.

**References**

- *Corporate Event Planning, Corporate Event Ideas and Advice* [Video online] Available at: <http://www.youtube.com/watch?v=lu_oG7hD4wQ> [Accessed 20 May 2013].
- *How to Work in Event Management* [Video online] Available at: <http://www.youtube.com/watch?v=6rm-kAZQPms> [Accessed 20 May 2013].

**Recommended Reading**

**Self Assessment**

1. _______ service orientation is the ability to be client focused and committed to meeting the needs of your customer.
   a. Client/customer
   b. Customer/client
   c. Government
   d. Organisational

2. The main job of an _______ coordinator is to supervise the various stages of planning in event management.
   a. function
   b. event
   c. organisation
   d. meeting

3. _______ event management companies service both the corporate and public sectors, ensuring that all aspects of the event are taken care of to the client’s complete satisfaction.
   a. Professional
   b. Client
   c. Government
   d. Public

4. _______ in event management seem to be alluring more and more youth.
   a. Service
   b. Careers
   c. Relation
   d. Meeting

5. Event management companies will often help each other out, utilising each other’s _________.
   a. planning
   b. weakness
   c. strengths
   d. help

6. For larger and international events it is advisable to choose an event management company who has big name companies in their _______ portfolio.
   a. government
   b. manager
   c. coordinator
   d. client

7. Which of the following statements is false?
   a. An event manager should be able to handle pressures and deadlines at ease.
   b. The field of information technology is constantly engaged in making life simpler for everyone, no matter what the field.
   c. The main job of an event coordinator is to supervise the various stages of planning in event management.
   d. Event management is not related to advertising and marketing.
8. Match the following

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<tr>
<th></th>
<th>Event management software</th>
<th>Client/customer service orientation</th>
<th>Rituals</th>
<th>Oscars, a tradition started to award the best in a particular genre</th>
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<td>Event management software</td>
<td>client focused and committed to meeting the needs of your customer.</td>
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<td>2</td>
<td>Client/customer service orientation</td>
<td>Field of information technology is constantly engaged in making life simpler for everyone, no matter what the field.</td>
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<td>Cascos, a tradition started to award the best in a particular genre.</td>
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<td>3</td>
<td>Rituals</td>
<td>Client/customer service orientation is the ability to be client focused and committed to meeting the needs of your customer.</td>
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a. 1-D, 2-A, 3-B, 4-C
b. 1-C, 2-B, 3-A, 4-D
c. 1-B, 2-C, 3-D, 4-A
d. 1-D, 2-C, 3-A, 4-A

9. Which of the following statements is false?

a. An important aspect of the calendar is the processing scheduling event management software, wherein the entire scheduling for the event is maintained with reminder alerts for the tasks to be done.
b. Rituals Cascos, a tradition started to award the best in a particular genre.
c. Event management software is not the field of information technology is constantly engaged in making life simpler for everyone, no matter what the field.
d. Client/customer service orientation is the ability to be client focused and committed to meeting the needs of your customer.

10. ________ events are held to involve the person taking part in the event without actually expecting an immediate result.

a. Personal
b. Organisational
c. Leisure
d. Cultural
Chapter II
The Planning of Function

Aim

The aim of this chapter is to:

• explicate the concept of event management
• explain the importance of event management
• elucidate the need for event management

Objectives

The objectives of this chapter are to:

• examine the evolution of event management
• analyse the process of event
• enlist the benefits of event management

Learning outcome

At the end of this chapter, you will be able to:

• define event management
• understand the importance of event management
• identify the various types of event management
2.1 Introduction
Planning is concerned with the future impact of today’s decisions. It is the fundamental function of management from which the other four stem. The need for planning is often apparent after the fact. However, planning is easy to postpone in the short-run. Postponement of planning especially plagues labour oriented, hands on managers. The organising, staffing, leading and controlling functions stem from the planning function. The manager is ready to organise and staff only after goals and plans to reach the goals is in place. Likewise, the leading function, influencing the behaviour of people in the organisation, depends on the goals to be achieved. Finally, in the controlling function, the determination of whether or not goals are being accomplished and standards met is based on the planning function. The planning function provides the goals and standards that drive the controlling function. Planning is important at all levels of management. However, its characteristics vary by level of management. Note in this that the characteristics of the world being simple, certain, structured and short-term often become rationalisations for top managers not to plan. Top managers acting as if they are lower level managers plague planning.

Planning Terminology
The order from general to specific is: vision-mission-objectives-goals. The key terms are defined as follows:

Vision
It is nonspecific directional and motivational guidance for the entire organisation. Top managers normally provide a vision for the business. It is the most emotional of the four levels in the hierarchy of purposes.

Mission
This is an organisation’s reason for being. It is concerned with scope of the business and what distinguishes this business from similar businesses. Mission reflects the culture and values of top management.

Objectives
Objectives refine the mission and address key issues within the organisation such as market standing, innovation, productivity, physical and financial resources, profitability, management and worker performance and efficiency. They are expected to be general, observable, challenging, and untimed.

Goals
Goals are specific statements of anticipated results that further define the organisation’s objectives. They are expected to be SMART: Specific, Measurable, Attainable, Rewarding, and Timed. Development of tactics is a fifth level of planning. Tactics, the most specific and narrow plans, describe who, what, when, where and how activities will take place to accomplish a goal.

2.2 Strategic Planning
Strategic planning is one specific type of planning. Strategies are the outcome of strategic planning. An organisation’s strategies define the business the firm is in, the criteria for entering the business, and the basic actions the organisation will follow in conducting its business. Strategies are major plans that commit large amounts of the organisation’s resources to proposed actions, designed to achieve its major objectives and goals. Strategic planning is the process by which the organisation’s strategies are determined. In the process, three basic questions are answered:

• Where are we now?
• Where do we want to be?
• How do we get there?

The “where are we now?” question is answered through the first three steps of the strategy formulation process:
• perform internal and external environmental analyses,
• review vision, mission and objectives,
• determine SWOT: Strengths, Weaknesses, Opportunities and Threats. SWOT analysis requires managers to be honest, self disciplined and thorough. Going on to strategy choices without a comprehensive SWOT analysis is risky.
Strengths and weaknesses come from the internal environment of the firm. Strengths can be exploited, built upon and made key to accomplishment of mission and objectives. Strengths reflect past accomplishments in production, financial, marketing and human resource management. Weaknesses are internal characteristics that have the potential to limit accomplishment of mission and objectives. Weaknesses may be so important that they need to be addressed before any further strategic planning steps are taken. Opportunities and threats are uncontrollable by management because they are external to the firm. Opportunities provide the firm the possibility of a major improvement. Threats may stand in the way of a firm reaching its mission and objectives. A closer look at the planning function that the overall coordinator, the project manager and the sales team is dedicated to is warranted here.

Planning tries to optimise resource utilisation across the board. A cross-functional team is a necessity here given the complexity in decision making involved and the requirement for phenomenal researched information. Beginning with understanding the client profile, the brief for the event, the target audience and number expected, a major component of any event that follows is the preparation of the event cash flow statement. The planning function is involved in micro-level event coordination activities such as liaison with the creative team discussing, facilitating and arranging for the technical specification viz., sound, light, stages and sets. Short-listing artists and stand by artists in tune with the dictates of the creative guys/gals is one of the most challenging tasks in the planning function. It also involves checking out alternative arrangements for locating the event, the venue, the conditions for the event and gathering information to assist in taking a decision on whether the event would be held indoors or outdoors. While at the last task, understanding the requirements of licenses, clearances, etc. and arranging for the same as and when required is a fundamentally responsible task that the event coordinator is burdened with. Deciding soft issues such as whether the show is to be a ticketed, non-ticketed, fully or partially sponsored is also part of the planning exercise.

Planners then do a risk rating for the event. Defining arrangements for the quality of hospitality and the dress code of the hostel hostesses depending on audience profile as well as deciding the appropriate food and beverages to be served on the occasion also is a planning function. This is especially so since the security and other arrangements will vary with the type of beverages served. In the cash flow statement, inflows to the event company’s coffers are basically from a combination of the revenues from sponsorships, ticket sales, commissions, event production charges, artist management fees and infrastructure and equipment rental charges. At the same time, on the "outflow-front" one can include headings as suppliers’ payments, venue hiring charges, payment to artists and performers, etc. The major outflows though are mainly on the event production front combined with the licensing and tax payments liabilities. The mode of payment for events ranges from part payments to cash payments and is mutually agreed upon between the parties involved and authenticated in the form of a contract after negotiations. Penalty clauses may also be included for defaults in the payments. Depending on the nature of the project, relationship with the clients and the objectives of both the client and the organiser, the actual plan of payments can be worked out. This may involve a certain amount as part payment in advance, a certain amount upon completion of specific milestones and finally payment of the balance amount either at the beginning of the event or upon completion of the event. It is essential that a certain amount be taken as advance to take care of the working capital needs.

The planning function defines the limits of the creative function as it provides the constraints that the creative team has to work with. It deals with hard practical realities such as the logistics i.e., transportation of material, travel, stay, etc. and the networking viz., media plan, ad designs, banners printing, tickets invites designing and printing. It tries to create the perfect picture of the event flow and tries to define and exercise control on the inflow and outflow of money before, during and after the event. Therefore, it is imperative that the planning function plays an important role in the preparation for any event. In addition, the time frame involved in decision making being limited, planning assumes that much more importance as a function. Some of the event planning services that need to be taken care of by the event organisers are listed as follows: Travel Arrangements, Audio Visual Needs, Catering, China and Flatware, Convention services, Decor, Decorations and Props, Entertainment, Exhibitor Needs, Floor Plan, Food and Beverage, Ground Transportation, Invitations, Linen, Lodging, Logistics, Meeting Planning, National Entertainment, On-Site Coordination, On-Site Registration, Photography, Pipe and Drape, Registration, Sanitation Facilities, Security, Signage, Site Selection, Sound and Lights, Speakers, Stage Decor, Staging, Tables and Chairs, Tenting, Tours, Union Labour, Valet, Video Production, Staff, Bartenders, Web Site Management. Needs For Planning, ‘management’ had begun as people started forming groups to achieve their goals.
They were quick to realise that managing is necessary to ensure proper coordination of all the individuals in the group. If the group effort is to be successful then its every member must know exactly what is expected of him. This is the fundamental function of planning. This is a basic function of the manager. Planning is the most crucial part of the functions of the manager. The importance of planning cannot be over emphasized. It has been rightly said, “Failure to plan is planning to fail”. Most of the organisations very often fail due to poor planning. Whatever be the resources one may have, without planning one cannot move ahead. Planning is determining the objectives and formulating the methods to achieve them. It is more simply said than done. Though one cannot foresee the future but should learn anticipate. No one can wait till the problems develop before preparing to tackle them. This is rather being proactive. And proaction is an essential ingredient of planning. One should also understand that there exist many different types of plans. One can plan effectively only if one understands the different types of plans and its purposes. Plans can be classified as Purposes or missions, Objectives, Strategies, Policies, Procedures, Rules, Programs and Budgets.

Purpose or Mission of an organisation is its basic function. Like the purpose of the university is teaching and research, that of Courts is the interpretation of laws and their application and so on. Determining the major objectives of an organisation and the policies and programmes that will govern the acquisition, use and disposition of resources to achieve those objectives”. In other words strategy is the general program of action and deployment of resources to attain comprehensive objectives. Thus, an entrepreneur needs to decide what kind of business he is going to do? A strategy may also be policy such as selling on cash only. Treatment of strategy as a type of plan is justified by its usefulness in practice and importance in guiding.

Policy-Koontz et al define it as “general statement or understanding which guide or channel thinking in decision making”. Policy defines an area within which a decision is to be made and ensures that the decision will consistent with and contributes to the objective. Procedure is a subdivision of policy. It states a series of related steps or tasks to be per formed in a sequential way. In common parlance it is called ‘Standard Operating Procedure’ (SOP).

Rule is also a plan that prescribes a course of action and explicitly states what is to be done under a given set of circumstances. Take note to observe the differences in rules, procedures and policies. The policies are guide to decision making and allow the managers to use their discretion, rules and procedures allow no such discretion. Programme is a broad term. Terry and Franklin define it as a “comprehensive plan that includes future use of different resources in an integrated pattern and establishes a sequence of required actions and time schedules for each in order to achieve stated objectives”. Thus a programme includes objectives, policies, procedures, methods, standards and budgets. Launching of a satellite is a programme.

Budget is a statement of expected results expressed in numerical terms. It is a quantitative expression of a plan. It varies in accuracy, detail and purpose. Master budget contains the consolidated plan of action of the whole enterprise and is in a way the translated version of the overall business plan of the organisation. Production budget is the plan of the production department and capital expenditure budget, raw, material budget, labour budget etc are budgets of the production department. Some budgets vary according to the organisation’s level of output; these are called variable or flexible budgets. Government departments prepare programme. Budgets in which the agency and the departments identifies goal, develops detailed programmes to meet the goals etc. A combination of the variable and the programme budget is the zero-base budget. In this approach the programmes are started as though from scratch or zero base. Principles of Planning One should keep in mind the following principles while planning in order make it effective.

Plan in haste and repent in leisure? No. You may save some time in quickly developing a plan. But, in the event of things going wrong, if you have not considered all the factors in a hurry, you are under pressure of both the time and resources. This is sure recipe for trouble - not only for you, but also for the organisation. Generally, the top management of the organisation prepares plans. However, some times the plans are evolved from the information coming from the lower levels. These are called bottom to top approach. Such an exercise commits people concerned with the achievement of goals. Participation in the process of planning gives a sense of pride and binds them to the objectives.
Vision is the art of seeing things invisible. So too are the plans. They should include the factors unexpected or atleast should have enough scope for maneuvering in the event of an unforeseen change in the environment.

**Evaluate and Revise**
Evaluate the plans at regular intervals to make sure that it is contributing to the objectives in the expected manner.

**Steps in Planning**
There are no fixed formula or methods for planning. It is carried out as per the need of the organisation. However one would broadly follow the following steps in planning. The first step is determining the goals or objectives for the entire organisation. If one fails to set correct or meaningful goals then one cannot make effective plans. Although goal setting is the first step in planning, the real starting point is the identification of the opportunity or the problem itself. This is very important because the manager should know where they are, what opportunities or problems they wish to handle and why and what they expect to gain.

The second step is determining the planning premises planning premises in simpler words is the assumptions that are made about the various elements of the environment. It is important for all the managers involved in planning to agree on the premises. Internal premises include sales forecasts and policies of the organisation. External premises are those factors that are outside the organisation such as technological changes, general economic conditions etc.

The third step would be to decide the planning period. While operational planning focus on the short term, the strategic plans focus on the long term.

The fourth step in planning is to search for and examine alternative courses of actions. There is rarely a need to plan for where there exist no alternatives and generally an alternative that is not obvious proves to be the best.

The fifth step is evaluating the alternatives. After having identified the number of alternatives and examining their strong and weak points it is logical to evaluate them against the planning premises and objectives.

The sixth step is the real point of decision making. Here, from the many alternatives available a one is chosen i.e. the plan is adopted.

The seventh step is to make derivative plans. The plan chosen after a thorough analysis is seldom complete without derivative plans. The plan, to make it operational, is split into departmental plans. Plans for the various operational units within the departments have to be formulated.

The plans thus developed for the various levels down the organisation are called derivative plans. After the decisions are made and plans are set and are rolling, in order to reach the desired goal the plan has to be reviewed periodically. Such a review helps in taking corrective action, if necessary, when the plan is in force.

**2.3 Planning**
Planning is both the organisational process of creating and maintaining a plan; and the psychological process of thinking about the activities required to create a desired future on some scale. As such, it is a fundamental property of intelligent behaviour. This thought process is essential to the creation and refinement of a plan, or integration of it with other plans, that is, it combines forecasting of developments with the preparation of scenarios of how to react to them. The term is also used to describe the formal procedures used in such an endeavor, such as the creation of documents, diagrams, or meetings to discuss the important issues to be addressed, the objectives to be met, and the strategy to be followed. Beyond this, planning has a different meaning depending on the political or economic context in which it is used.

**The planning process**
The planning process provides the framework for developing conservation plans on the basis of ecological, economic, social, and policy considerations. Implementation of these plans may then be facilitated by utilising technical,
educational, and financial assistance programs from NRCS or other sources. The same planning process is used to develop conservation plans and area wide conservation plans or assessments, but different activities are required to complete each step of the process. Guidance in this handbook is separated accordingly into conservation planning and area wide conservation planning. On-site visits with the client are an integral part of the planning process. Conservation plans are normally developed with an individual decision-maker. An area wide conservation plan or assessment reflects the desired future conditions developed in conjunction with the client and other stakeholders in the area. The stakeholders may, or more likely may not, be decision-makers for implementing planned activities.

2.4 Applications

There are various applications which are as follows:

**In Public Policy**

Planning refers to the practice and the profession associated with the idea of planning an idea yourself, (land use planning, urban planning or spatial planning). In many countries, the operation of a town and country planning system is often referred to as ‘planning’ and the professionals which operate the system are known as ‘planners’.

Planning is a process for accomplishing purpose. It is blue print of business growth and a road map of development. It helps in deciding objectives both in quantitative and qualitative terms. It is setting of goals on the basis of objectives and keeping in view the resources. It is a conscious as well as sub-conscious activity. It is “an anticipatory decision making process” that helps in coping with complexities. It is deciding future course of action from amongst alternatives. It is a process that involves making and evaluating each set of interrelated decisions. It is selection of missions, objectives and “translation of knowledge into action.”

A planned performance brings better results compared to unplanned one. A Managers’ job is planning, monitoring and controlling. Planning and goal setting are important traits of an organisation. It is done at all levels of the organisation. Planning includes the plan, the thought process, action, and implementation. Planning gives more power over the future. Planning is deciding in advance what to do, how to do it, when to do it, and who should do it. It bridges the gap from where the organisation is to where it wants to be. The planning function involves establishing goals and arranging them in logical order.

2.5 Purpose of Plan

Just as no two organisations are alike, so also their plans. It is therefore important to prepare a plan keeping in view the necessities of the enterprise. A plan is important aspect of business. It serves following three critical functions: Helps management to clarify, focus and research their businesses or project’s development and prospects. Provides a considered and logical framework within which a business can develop and pursue business strategies over the next three to five years. Offers a benchmark against which actual performance can be measured and reviewed. A plan should be a realistic view of the expectations. Depending upon the activities, a plan can be Long Range, Intermediate range and of Short range. It the framework within which it must operate. For management seeking external support, the plan is the most important document and key to growth. Preparation of a comprehensive plan will not guarantee success, but lack of a sound plan will, almost certainly, ensures failure.

2.6 Importance of The Planning Process

A plan can play a vital role in helping to avoid mistakes or recognise hidden opportunities. Preparing a satisfactory plan of the organisation is essential. The planning process enables management to understand more clearly what they want to achieve, and how and when they can do it. A well-prepared business plan demonstrates that the managers know the business and that they have thought through its development in terms of products, management, finances, and most importantly, markets and competition.

2.6.1 Preparing plan

Planning is not done off hand. It is prepared after careful and extensive research. For a comprehensive business plan, management has to:

- clearly define the target / goal in writing
- it should be set by person having authority
• the goal should be realistic
• specific
• acceptability
• easily measurable
• identify all the main issues, which need to be addressed
• review past performance
• decide budgetary requirement
• focus on matters of strategic importance
• what are requirements and how will it be met
• what will be the likely length of the plan and its structure
• identify shortcomings in the concept and gaps
• strategies for implementation
• review periodically

2.6.2 In Organisations Planning
Planning is also a management function, concerned with defining goals for future organisational performance and deciding on the tasks and resources to be used in order to attain those goals. To meet the goals, managers may develop plans such as a business plan or a marketing plan. Planning always has a purpose. The purpose may be achievement of certain goals or targets. The planning helps to achieve these goals or target by using the available time and resources. To minimise the timing and resources also require proper planning.

2.6.3 Planning for Events
Event planning is the process of planning a festival, ceremony, competition, party, or convention. Event planning includes budgeting, establishing dates and alternate dates, selecting and reserving the event site, acquiring permits, and coordinating transportation and parking. Event planning also includes some or all of the following, depending on the event: developing a theme or motif for the event, arranging for speakers and alternate speakers, coordinating location support (such as electricity and other utilities), arranging decor, tables, chairs, tents, event support and security, police, fire, portable toilets, parking, signage, emergency plans, health care professionals, and cleanup.

Event Planning is a relatively new career field. There is now training that helps one trying to break into the career field. There must be training for an event planner to handle all the pressure and work efficiently. This career deals with a lot of communication and organisation aspects. There are many different names for an event planner such as a conference coordinator, a convention planner, a special event coordinator, and a meeting manager.

2.6.4 Steps to Planning an Event
The first step to planning an event is determining its purpose, whether it is for a wedding, company, birthday, festival, graduation or something else. From this the event planner needs to choose entertainment, location, guest list, speakers, and content. The location for events is endless, but with event planning they would likely be held at hotels, convention centers, reception halls, or outdoors depending on the event. Once the location is set the coordinator/planner needs to prepare the event with staff, set up the entertainment, and keep contact with the client. After all this is set the event planner has all the smaller details to address like set up of the event such as food, drinks, music, guest list, budget, advertising and marketing, decorations, all this preparation is what is needed for an event to run smoothly. An event planner needs to be able to manage their time wisely for the event, and the length of preparation needed for each event so it is a success.

2.7 Working Conditions
Event planners work is considered either stressful or energising. This line of work is also considered fast paced and demanding. Planners face deadlines and communicating with multiple people at one time. Planners spend most of
their time in offices, but when meeting with clients the work is usually on-site at the location where the event is taking place. Some are physical activity is required such as carrying boxes of materials and decorations or supplies needed for the event. Also, long working hours can be a part of the job. The day the event is taking place could start as early as 5:00 a.m. and then work until midnight. Working on weekends is sometimes required, which is when many events take place.

Planning special events
A special event is a one-time event focused on a specific purpose such as a groundbreaking, grand opening or other significant occasion in the life of a library. Special events may also be created for other targeted purposes such as a job fair; awards banquet or logo contest. These onetime special events are different from “programs” offered on a continuing basis such as a lecture series, summer reading club or story hour. The following steps are offered to help guide your event planning:

Develop strategies for success;
  • Make sure the purpose for the special event is important enough to merit the time and expense needed to properly stage, publicise and evaluate the event.
  • Carefully match the type of event that is selected to the purpose that it serves. Do you want to reach out to new users or thank your supporters?
  • Ensure that the library staff fully supports the special event. Select a working committee with broad representation.
  • Target groups that have a special stake in the event such as library users, funders, politicians, business leaders, senior citizens or parents.
  • Start planning at least three months, and in many cases, a year ahead of time.
  • Develop ways to evaluate the event’s success. Measurable event objectives may include attendance, the amount of money raised, and the number of library cards issued or increases in circulation.
  • Talk to other librarians who have successfully staged similar events.

Make a checklist
  • A checklist provides a step-by-step guide to organising and executing a special event. See sample checklist on next page.

Create a budget
  • The objective is to provide event planners with a financial blueprint. The budget should be specific, and include revenue opportunities (sponsorship, ticket sales, donations. concession sales) as well as expenses printing, permits, insurance, speakers, food supplies, security).

Consider logistics
  • With many activities going on simultaneously, there are many details to be checked. Major areas to consider and plan for include: size of space or building used, utility support needed, setup (tables and chairs. tents, portable toilets, parking, signage) coordination, cleanup, emergency plans, transportation, and public services such as police and fire departments.

Plan publicity
  • Promoting a special event takes creative thinking balanced ~with practicality. The primary objective is to publicise the event, but secondary objectives should be considered.
  • Are you trying to inform, educate or entertain?
Event Management

- Increase awareness or attendance of the event?
- Build a base support from a specific audience?
- Facilitate good community relations?

Brainstorm all the available media in including marquees, school newsletters, church announcements, and cable and commercial stations. Make a detailed list with names of whom to contact and when.

Evaluate the event
Take time to evaluate right after the event while the details are fresh. You may want to consider having a questionnaire for participants to fill out. Some general evaluative criteria include:

- Did the event fulfill its goals and objectives? Why or why not?
- Identify what worked and what needs finetuning. Which vendors should be used again?
- What items were missing on the checklist?
- Was the event well attended?
- Was informal and formal feedback about the event positive?
- Given all that went into staging, was it worth doing?

Finally, it is important to remember to celebrate your successes and to thank all those who contributed.

Sample Check List
The following checklist provides a step-by-step guide to organising and executing an open house. Include projected deadlines for each step.

- Select chair and members of your planning committee
- Develop a master plan and set the event date
- Select chairs for subcommittees such as refreshments, setup and cleanup, tour guides, traffic and safety, volunteer’s speakers, and invitations.
- Organise volunteers for each committee
- Formulate a publicity plan. Decide when/how media should be contacted. Be sure to alert the media of photo and interview opportunities
- Prepare copy for programme and printed materials
- Hold a “tie down” meeting the day before the event. Distribute a schedule of events to each committee member. Discuss assignments. Distribute identification badges. Answer any questions
- Set up several registration tables and stagger tour schedules to avoid bottlenecks. Distribute a programme as guests arrive, so they know what to expect
- After the event, mail the printed programme with an appropriate letter to “significant others” who were unable to attend
- Remember to thank everyone who participated. Send photos if possible
- Conduct an evaluation

The basic idea and process of strategic planning has been around for many years. Strategic planning represents a paradigm shift from what is known as long-range planning. Strategic planning was developed as a proactive alternative to long-range planning. Long-range planning is based on a projection of historical data into the future using somewhat arbitrary assumptions for projectors. Long-range planning is data driven. An example of long-range planning would begin with a simple statement like, “We will grow our company’s revenue by 5 percent in five years.” Based on the company’s current and past history of production and operating processes, we know how many people it takes to produce a company’s products and services and we know how much those resources cost in today’s dollars. We simply estimate the rate of inflation, multiply it by the number of people we have today and then by 1.5, and we discover what the future cost is assumed to be. While this technique is useful in many situations,
it is inherently based on the past and does not provide the company with a long-term direction that will ultimately increase the organisation’s true value and sustain or increase its position in the marketplace.

Formal “strategic planning,” on the other hand, is a top down, vision-driven process that is used to develop an organisation’s future value. Russell Ackoff, professor at the Wharton School of Business and a noted strategic planning consultant, notes, “Planning ... is anticipatory decision making. It is the process of deciding ... before action is required.”

Facility design and management professionals often confuse the original and formal definition of strategic planning. You will hear the term “strategic planning” used to define large-scale or macro-level space planning, or long range planning or budget planning for facility design and construction. The original business definition of formal strategic planning, however, refers to a process that the organisation’s leadership undertakes to chart a course for that organisation based on the organisation’s guiding principles that will allow that organisation to reach some future organisational or business goal.

Strategic planning is a critical task of senior management. In fact, the job description of senior managers usually includes responsibilities for planning and goal setting. Marvin Bower of McKinsey and Company identified 14 basic, well-known effective management processes:

**Setting objectives**
Deciding on the business in which the company or division should engage and on other fundamentals that shall guide and characterise the business, such as continuous growth. An objective is typically enduring and timeless.

**Planning strategy**
Developing concepts, ideas, and plans for achieving objectives successfully and for meeting and beating competition. Strategic planning is part of the total planning process that includes management and operational planning.

**Establishing goals**
Deciding on achievement targets shorter in time range or narrower in scope than the objectives, but designed as specific sub objectives in making operational plans for carrying out strategy.

**Developing a company philosophy**
Establishing the beliefs, values, attitudes, and unwritten guidelines that add up to the way we do things around here.

**Establishing policies**
Deciding on plans of action to guide the performance of all major activities in carrying out strategy in accordance with company philosophy.

**Planning the organisation structure**
Developing the plan of organisation; the “harness” that helps people pull together in performing activities in accordance with strategy, philosophy, and policies.

**Providing personnel**
Recruiting, selecting, and developing people, including an adequate proportion of high-caliber talent, to fill the positions provided for in the organisation plan.

**Establishing procedures**
Determining and prescribing how all important and recurrent activities shall be carried out.

**Providing facilities**
Providing the plant, equipment, and other physical facilities required to carry on the business.
Providing capital
Making sure the business has the money and credit needed for physical facilities and working capital.

Setting standards
Establishing measures of performance that will best enable the business to achieve its long-term objectives successfully.

Establishing management programs and operational plans
Developing programs and plans governing activities and the use of resources which, when carried out in accordance with established strategy, policies, procedures, and standards, will enable people to achieve particular goals. These are phases of the total planning process that includes strategic planning.

Providing control information
Supplying facts and figures to help people follow the strategy, policies, procedures, and programs; to keep alert to forces at work inside and outside the business; and to measure their own performance against established plans and standards.

Activating people
Commanding and motivating people up and down the line to act in accordance with philosophy, policies, procedures, and standards in carrying out the plans of the company.

In his book, Strategic Planning, George Steiner defines two types of planning: intuitive-anticipatory planning and formal systemic planning. “The first, the intuitive anticipatory approach, has several characteristics. Generally it is done in the brain of one person. It may or may not, but often does not, result in a written set of plans. It generally has a comparatively short time horizon and reaction time. It is based on experience, the ‘gut’ feel, the judgment, and the reflective thinking of a manager.”

The second type, formal systemic strategic planning, is characterised by a set of procedures and processes. It involves participation by numerous resources and stakeholders, and it is research driven. It is documented and leaves evidence that can measure the plan’s progress and effectiveness. Strategic planning is a process of asking and answering questions about the organisation. And it is a process of formalising the answers to those questions such that they can be used as guiding principles for implementing future results. Strategic planning needs to answer three basic questions for an organisation:

- Where are you going? Without a clear sense of direction, including a mission statement, clarity about the scope of operations, and a set of specific goals and objectives, an organisation is adrift.
- What is the environment? In answering this question, the organisation is forced to take a hard look at itself, its external environment, its competitors, and the threats and opportunities that these pose. Furthermore, the organisation must measure the gap between its goals or objectives and its capacity to attain those goals or objectives.
- How do you get there? That is, what are the specific businesses models that can enable the organisation to reach its goals, and how do the organisation’s resources need to be allocated to make these models work?

The strategic planning process is often thought of as almost a singular event. It happens, and then we forget about it for a while. This is far from realistic, of course, because the environment tends to change and organisations tend to change. In the past several years they have changed at a rapid pace. For this reason, some have suggested that strategic planning is no longer a valid process. It is better to look at strategic planning as a cyclical and ongoing process, not a singular event. A strategic plan is something that should be continually reviewed and it should be dynamically modified to respond to current events, changing economies, and future trends. The founding principles of the initial plan may or may not be valid as time moves on.

The point is that a strategic plan must be reviewed and used, and resources must be allocated for maintaining the strategic plan. Facility management professionals are rarely involved directly in formal strategic business planning.
activities. They are called upon for decision support information and, of course, they are intimately involved with the execution and implementation of the strategic plan. While facility management professionals are rarely involved in the strategic planning process, it is, nevertheless, critical that they be aware of the plan and be prepared to implement it even if they do not directly influence it. You could in fact consider, at least partially, the job and responsibilities of a facility manager to be defined by the implementation of the organisation’s strategic plan.

**Strategic management**

In contrast to strategic planning, the concept of strategic management is one of support. Strategic management is the active component of an overall strategic planning process. Strategic management represents the method of controlled implementation of the strategic plan. It is not the plan; it is the process of implementing the plan based on continual measurement of progress against that plan. The strategic management concept involves a shift in focus from firefighting and crisis management to a proactive consideration of the future. Day-to-day management tasks are strategically driven. That is, decisions are made with direct corollary relationship to the values, philosophies, and direction set forth in the strategic plan. Strategic management is a values-driven process.

Strategic management requires all members of the organisation to be knowledgeable in, and to be governed by, the principles set forth in the strategic plan. Performance is measured against the strategic plan. Decisions are supported by and made in context to the strategic plan. While the strategic plan is developed over time to a clear and precise set of guiding principles, it is not or should not be considered to be static. It must be flexible. It must continue to respond to market events and stakeholder perception, and it should be directly influenced by the results of the strategic management process.

**Measuring and measurement**

Measurement is critical to today’s organisations. It is a fundamental requirement and an integral part of strategic planning and strategic management without measurement, you cannot tell where you have been, where you are now, or if you are heading in the direction you are intending to go. There are so many things to measure and so many different types of measurement. How do you know what to measure? Most organisations today attempt to measure, but many measure the wrong things. In his book, *Keeping Score*, Mark Graham Brown lists several important factors in “rethinking” your approach to organisational management:

- Fewer is better. Concentrate on measuring the vital few key variables rather than the trivial many.
- Measures should be linked to the factors needed for success - key business drivers.
- Measures should be a mix of past, present, and future to ensure the organisation is concerned with all three perspectives.
- Measures should be based around the needs of customers, shareholders, and other key stakeholders.
- Measures should start at the top and flow down to all levels of employees in the organisation. Multiple indices can be combined into a single index to give a better overall assessment of performance.
- Measures should be changed or at least adjusted as the environment and your strategy changes. Measures need to have targets or goals established that are based on research rather than arbitrary numbers.

**Facilities planning and management**

So how does strategic planning fit within the more specific discipline of facilities planning and management? First, let’s simplify the major concepts into three areas: strategic planning, measurement, and organisational value. Measurement is the path across a bridge between planning and organisational value, and information is the foundation of the overall process. Where are the facilities? The facilities are represented by the bridge. Facilities support the strategic plan and mission of the organisation. Facilities are designed and managed in the context of the strategic plan. Organisational value is abstracted from good, well managed facilities.

How do we get there? As discussed, a formal strategic plan is related to an organisation’s vision of its value, its mission, and its goals. First, there is a translation step that must occur between the formal business-oriented strategic plan and the plan that would be the facilities’ centric embodiment of that plan. This step is a form of gap analysis that translates the strategic plan into facilities initiatives that can be measured against the strategic plan. What we are actually looking for is a strategic facilities plan that is directly tied to the organisation’s formal strategic business
In the strategic facilities plan, we need to look at current state facilities information, historical facilities related information, and facilities-specific future vision information. Today many organisations can derive the current and historical information from some form of computer-aided facilities management system.

But what about the facilities-specific future vision that must be included in the overall strategic facilities plan? The facilities-specific information comes directly from your internal knowledge of your existing facilities and from your facilities’ users and customers. It must be translated into vision and mission-related paradigms. Then it is combined with the translated business strategic plan to form the facilities-specific strategic facilities plan. The strategic facilities plan includes a version of the organisation’s strategic business plan that has been translated into facilities terms. It also includes additional input and requirements from facilities professionals and facilities end users. The strategic facilities plan is a long-range plan that includes facilities-specific goals and objectives that become the measurement for facilities-related activities.

It performs the same function as the strategic plan, but has been reconstructed in facilities-specific terms. The strategic facilities plan represents documented, long-term facilities goals that are derived from business objectives. Progress toward those objectives can be measured directly against the goals set forth in the facilities strategic plan. The strategic facilities plan spawns facilities initiatives (better known as facilities projects) that must be implemented. Successful completion of the specific facilities projects represents achievement of milestones on the way to organisational value.

What about the timing? Is the strategic business plan ever updated? Is the strategic facilities plan ever updated? If so, how often? Things tend to change. How do new ideas get into the strategic facilities plan?

We need to look at the steps in both the strategic planning process and the strategic management process as being flexible. We need a method of reviewing the plans and incrementally modifying them as events and environments dictate so that at any point we know where we are going and how we will get there. The diagram to the right shows the basic outline of how a strategic planning process might be organised with a facilities strategic management process. The corresponding initiatives are marshaled into a series of life-cycle facilities services that implement the details of a facilities strategic plan in a manner that is cyclical and allows for constant review and input to be collected, tested, and assimilated into the strategic management plan. The idea is that there are actually four related plans or planning levels. The elements of each planning level are built on elements from the previous planning level. The four levels are the strategic business plan, the facilities strategic plan, the annual plan, and the individual initiative tactical plans that implement the strategy. The strategic management process clarifies, facilitates, tests, and moves elements of the plans to implementation in a manner that can be measured and held accountable to the organisation’s strategic business plan. There is always an analysis, review, and testing step when moving ideas into a particular planning level.

The idea is to stop, think, and evaluate before an idea gets into a plan that does not directly support your organisation’s goals. Life-cycle facilities services are planning-based and directly support the idea of maintained information for decision support. Built-in transitions allow for the capture, testing, and validation of information when moving from one step to another or one deliverable to another. A similar, more detailed way of looking at these interrelated facilities planning and management concepts is shown in the diagram to the right. Facilities planning and management represents the embodiment of the organisation’s strategic plan. Important issues to work toward include direct, measurable ties to the organisation’s strategic plan; the encapsulation of specific steps and states that facilitate review periods and specific deliverables; an overall flexible approach to planning that is cyclical and supports dynamic change; and a solid foundation of maintainable metrics and decision support information.

### 2.8 Thinking Strategically

The economy is constantly changing. As we have seen over the past several years, it can go from boom to bust in short order, often causing massive changes in facility requirements and in changes to overhead-funded facility operating budgets. You don’t have the budget or the luxury of taking the time to study the issues. By adopting and developing a cyclical planning process and information driven approach, however, you will be able to make better, more cost-effective business decisions that ultimately will benefit your company’s financial longevity and productivity. In virtually every for-profit industry, stiff competition breeds economic efficiency. Success hinges on producing more goods or services at a lower cost without compromising quality - that is, on increasing productivity. The classic
example of the benefits of productivity gains is Henry Ford’s adoption of the assembly line, an innovation that allowed his company to build more reliable cars at a faster pace and at a lower cost - transforming the automobile from a plaything for the wealthy to an everyday tool for ordinary Americans.

But in the nonprofit world, organisations have few external incentives to operate more efficiently. Indeed, many people are actually suspicious of efforts to increase nonprofit productivity. At a recent meeting of 20 nonprofit leaders, for example, we presented some of the Bridge span Group’s findings about the growth in size of nonprofits that serve young people. When we broached the topic of economies of scale - that is, the idea that larger organisations can produce more goods and services for less - most attendees said that they simply could not increase their productivity without compromising the quality of their services. If these skeptics are correct, then the only way that nonprofits can increase their impact is by raising and spending more money. Yet for-profit companies routinely preserve and even improve the quality of their goods and services without increasing their costs. If nonprofits could be equally savvy about how they spend their existing dollars - that is, if they could increase their productivity - they could get more bang for their buck.

Productive nonprofits standardise their best practices, invest in essential people and processes, manage their costs, and measure their progress. Adopting these practices is not easy, because of the nature of nonprofits’ work and prevailing funding practices. Nevertheless, Teach for America, Jumpstart, and Year Up all managed to overcome these obstacles and multiply their impact. Not surprisingly, these findings largely dovetail with those of researchers who have examined productivity in other sectors. But although there are scores of studies related to productivity in the for profit sector, we have not been able to identify comparable studies in the nonprofit sector. We hope this small study sparks many more.

2.9 Two Paths to Productivity Measuring

Productivity can be a tricky matter, even in the for-profit sector. Companies often have to go beyond tracking cost per widget produced. A classic example is that of the tire manufacturer. When a consumer buys a tire, he or she typically takes into account not just the cost of the tire but also the number of miles it will travel. Technological advancements may increase the cost of each tire, but decrease the cost of each mile traveled on it - and the latter is the metric that matters most to the consumer. The tire company that focuses on cost per tire is likely to be bested by one that grasps the true unit of value to the consumer and focuses on tire cost per mile traveled. This same concept of value applies to the work of nonprofits. It’s not cost per output (such as a youth served) that provides a window into productivity, but rather cost per outcome (a youth who achieves the results targeted by the organisation). Here’s where things get more complicated for nonprofits, though. Although it’s relatively easy to calculate tire cost per mile (i.e., the tire’s total cost divided by the number of miles it will go), it’s far harder to calculate dollars required for a nonprofit to achieve an outcome, for reasons we will explore below.

Let’s back up and define some terms. Outputs are the amount of work a nonprofit does - in other words, the quantity of the programs or services it delivers. In the case of Year Up this would be the number of students participating in the programme. Outcomes, in contrast, are the results of the nonprofit are work in other words, the benefits for participants during or after their involvement with the organisation. At Year Up this would be the number of graduating students placed in livable-wage jobs. Finally, the success rate reflects the number of outputs that turn into outcomes - for example, the ratio of students in the programme to those who go on to get jobs paying a livable wage.

2.10 Increasing Productivity

Increased productivity doesn’t just happen. Jumpstart, Teach for America, and Year Up observed four management basics: standardise best practices; invest in staff and critical activities; manage costs aggressively; and measure progress.

Standardise best practices

All three organisations discovered and spread their most cost-effective practices throughout their organisations. Jumpstart, for example, has standardised every aspect of its programme and made these practices available in hard copy guidebooks as well as on its intranet. Corps members can sign into the system at any time and get lesson plans and curricula. Teach for America has created a centralised information system to capture and share best practices.
This sort of standardisation helps to keep costs down by increasing efficiency: Staff spends less time reinventing the wheel and more time executing effective practices. It also ensures that all sites are using the practices that have been shown to lead to the best outcomes, which can have a positive effect on the organisation’s success rate.

**Invest in staff and critical activities**

All three organisations invested more in the activities most important to the success of their programs and the sustainability of their organisations. For example, in 2000 Teach for America embarked on an ambitious five-year growth plan. The organisation knew that in order to attract the best college graduates it would have to invest more in on-campus recruiting. It also added staff positions to its teacher training and support teams, invested in better data management and communications systems across regions, and made a commitment to pay higher salaries to attract and retain better talent. Teach for America’s leaders point to highly qualified and well-resourced teachers as propelling the organisation’s healthy success rate, and strong teacher retention as offsetting recruiting and training investments.

Jumpstart also invested in building its management capacity, noting that when it comes to salaries, “paying more costs less.” Although this may sound counterintuitive, the logic holds: Better compensation reduces turnover, increases the average experience level of the staff, and builds institutional knowledge.

**Manage costs aggressively**

All three organisations paid a great deal of attention to managing their costs, particularly with respect to major costs like salaries. At Year Up, overhead and training stipends - for both the participating students and the companies that provide them with internships - are the organisation’s two biggest costs. To manage overhead, Year Up constantly monitors its administrative and personnel ratios to keep them as low as possible, even as class sizes grow. Training stipends receive similar scrutiny. Year Up analyzes and experiments with stipend levels at each of its four sites to determine the minimum level necessary to secure target student and company participation levels, thus ensuring that its cost per output remains low.

**Measure Progress**

All three organisations established performance measurement systems to give them timely feedback about their costs, outputs, and outcomes. Year Up, for example, has created a set of PowerPoint performance dashboards for reporting regularly on six critical areas of their work: recruiting and retaining talented staff, cultivating a solid student pipeline, teaching marketable skills, providing high quality service to corporate partners, positioning students for ongoing success, and creating a sustainable programme infrastructure. The management team then sets performance benchmarks and rates its progress against each benchmark.

**2.11 Basic Approach to Strategic Planning**

A critical review of past performance by the owners and management of a business and the preparation of a plan beyond normal budgetary horizons require a certain attitude of mind and predisposition. Some essential points which should to be observed during the review and planning process include the following:

- Relate to the medium term i.e. 2/4 years
- Be undertaken by owners/directors
- Focus on matters of strategic importance
- Be separated from day-to-day work
- Be realistic, detached and critical
- Distinguish between cause and effect

As the precursor to developing a strategic plan, it is desirable to clearly identify the current status, objectives and strategies of an existing business or the latest thinking in respect of a new venture. Correctly defined, these can be used as the basis for a critical examination to probe existing or perceived Strengths, Weaknesses, Threats and Opportunities.
Summary

- Planning is concerned with the future impact of today’s decisions. It is the fundamental function of management from which the other four stem.
- Productivity can be a tricky matter, even in the for-profit sector. Companies often have to go beyond tracking cost per widget produced.
- A critical review of past performance by the owners and management of a business and the preparation of a plan beyond normal budgetary horizons require a certain attitude of mind and predisposition.
- Planning is both the organisational process of creating and maintaining a plan; and the psychological process of thinking about the activities required to create a desired future on some scale.
- Outputs are the amount of work a nonprofit does in other words, the quantity of the programs or services it delivers.
- Vision is nonspecific directional and motivational guidance for the entire organisation. Top managers normally provide a vision for the business.
- An organisation’s strategies define the business the firm is in, the criteria for entering the business, and the basic actions the organisation will follow in conducting its business.
- By adopting and developing a cyclical planning process and information driven approach, however, you will be able to make better, more cost-effective business decisions that ultimately will benefit your company’s financial longevity and productivity.
- The plans thus developed for the various levels down the organisation are called derivative plans.
- Mission reflects the culture and values of top management.
- Objectives refine the mission and address key issues within the organisation such as market standing, innovation, productivity, physical and financial resources, profitability, management and worker performance and efficiency.
- Goals are specific statements of anticipated results that further define the organisation’s objectives.

References

- Corporate Event Management Tips: Guide to Planning and Organising [Video online] Available at: <http://www.youtube.com/watch?v=tBbAnF04BVY> [Accessed 22 May 2013].
- EMS Software: Feature-rich event management system [Video online] Available at: <http://www.youtube.com/watch?v=nxA7mgxh1r4> [Accessed 22 May 2013].

Recommended Reading

Self Assessment

1. ________ is nonspecific directional and motivational guidance for the entire organisation.
   a. Vision
   b. Mission
   c. Objectives
   d. Goals

2. ________ management requires all members of the organisation to be knowledgeable in, and to be governed by, the principles set forth in the strategic plan.
   a. Important
   b. Security
   c. Strategic
   d. Public

3. ________ is concerned with scope of the business and what distinguishes this business from similar businesses.
   a. Mission
   b. Security
   c. Vision
   d. Goals

4. The ________ team then sets performance benchmarks and rates its progress against each benchmark.
   a. security
   b. management
   c. sports
   d. event

5. ________ are specific statements of anticipated results that further define the organisation’s objectives.
   a. Objectives
   b. Security
   c. Event
   d. Goals

6. When a ________ buys a tire, he or she typically takes into account not just the cost of the tire but also the number of miles it will travel.
   a. management
   b. organisation
   c. consumer
   d. government
7. Which of the following statements is true?
   a. Vision reflects the culture and values of top management.
   b. The plans thus developed for the various levels down the organisation are called derivative plans.
   c. Mission is nonspecific directional and motivational guidance for the entire organisation.
   d. Outputs are not the amount of work a nonprofit does in other words, the quantity of the programs or services it delivers.

8. Which of the following statements is false?
   a. The management team then sets performance benchmarks and rates its progress against each benchmark.
   b. Vision reflects the culture and values of top management.
   c. Goals are specific statements of anticipated results that further define the organisation’s objectives.
   d. Productivity can be a tricky matter, even in the for-profit sector. Companies often have to go beyond tracking cost per widget produced.

9. The plans thus developed for the various levels down the organisation are called _______ plans.
   a. derivative
   b. informative
   c. important
   d. security

10. _______ reflects the culture and values of top management.
    a. Mission
    b. Vision
    c. Objectives
    d. Security
Chapter III
Strategic Marketing for Events

Aim
The aim of this chapter is to:

• explicate the concept of strategic marketing
• explain the importance of event
• elucidate the need for strategic marketing for events

Objectives
The objectives of this chapter are to:

• examine the evolution of event management
• analyse the process of strategic marketing
• enlist the benefits of growth strategies

Learning outcome
At the end of this chapter, you will be able to:

• define marketing strategies
• understand the importance of marketing strategies
• identify the various types of strategic marketing for events
3.1 Introduction

A marketing strategy is a process that can allow an organisation to concentrate its limited resources on the greatest opportunities to increase sales and achieve a sustainable competitive advantage. A marketing strategy is most effective when it is an integral component of corporate strategy, defining how the organisation will successfully engage customers, prospects, and competitors in the market arena. It is partially derived from broader corporate strategies, corporate missions, and corporate goals. As the customer constitutes the source of a company’s revenue, marketing strategy is closely linked with sales. A key component of marketing strategy is often to keep marketing in line with a company’s overarching mission statement.

3.2 Sectorial Tactics and Actions

A publishing strategy can serve as the foundation of a marketing plan. A marketing plan contains a set of specific actions required to successfully implement a marketing strategy. For example: “Use a low cost product to attract consumers. Once our organisation, via our low cost product, has established a relationship with consumers, our organisation will sell additional, higher-margin products and services that enhance the consumer’s interaction with the low-cost product or service.”

A strategy consists of a well thought out series of tactics to make a marketing plan more effective. Marketing strategies serve as the fundamental underpinning of marketing plans designed to fill market needs and reach marketing objectives. Plans and objectives are generally tested for measurable results. A marketing strategy often integrates an organisation’s marketing goals, policies, and action sequences (tactics) into a cohesive whole. Similarly, the various strands of the strategy, which might include advertising, channel marketing, internet marketing, promotion and public relations, can be orchestrated. Many companies cascade a strategy throughout an organisation, by creating strategy tactics that then become strategy goals for the next level or group. Each one group is expected to take that strategy goal and develop a set of tactics to achieve that goal. This is why it is important to make each strategy goal measurable. Marketing strategies are dynamic and interactive. They are partially planned and partially unplanned. See strategy dynamics.

3.2.1 Types of Strategies

Every marketing strategy is unique, but can be reduced into a generic marketing strategy. There are a number of ways of categorising these generic strategies. A brief description of the most common categorising schemes is presented below:

**Strategies based on market dominance**

In this scheme, firms are classified based on their market share or dominance of an industry. Typically there are three types of market dominance strategies:

- Leader
- Challenger
- Follower

**Porter generic strategies**

Strategy on the dimensions of strategic scope and strategic strength. Strategic scope refers to the market penetration while strategic strength refers to the firm’s sustainable competitive advantage.

- Cost leadership
- Product differentiation
- Market segmentation

**Innovation strategies**

This deals with the firm’s rate of the new product development and business model innovation. It asks whether the company is on the cutting edge of technology and business innovation. There are three types:

- Pioneers
- Close followers
- Late followers
**Growth strategies**
In this scheme we ask the question, “How should the firm grow?” There are a number of different ways of answering that question, but the most common gives four answers:

- Horizontal integration
- Vertical integration
- Diversification
- Intensification

A more detailed scheme uses the categories:

- Prospector
- Analyser
- Defender
- Reactor

**Marketing warfare strategies**
This scheme draws parallels between marketing strategies and military strategies.

### 3.2.2 Strategic Models
Marketing participants often employ strategic models and tools to analyse marketing decisions. When beginning a strategic analysis, the 3Cs can be employed to get a broad understanding of the strategic environment. An Ansoff Matrix is also often used to convey an organisation’s strategic positioning of their marketing mix. The 4Ps can then be utilised to form a marketing plan to pursue a defined strategy.

### 3.3 Marketing in Practice
There are a many companies especially those in the Consumer Package Goods (CPG) market that adopt the theory of running their business centred around Consumer, Shopper & Retailer needs. Their Marketing departments spend quality time looking for “Growth Opportunities” in their categories by identifying relevant insights (both mindsets and behaviours) on their target Consumers, Shoppers and retail partners. These growth opportunities emerge from changes in market trends, segment dynamics changing and also internal brand or operational business challenges. The Marketing team can then prioritise these Growth Opportunities and begin to develop strategies to exploit the opportunities that could include new or adapted products, services as well as changes to the 4Ps.

Real-life marketing primarily revolves around the application of a great deal of common-sense; dealing with a limited number of factors, in an environment of imperfect information and limited resources complicated by uncertainty and tight timescales. Use of classical marketing techniques, in these circumstances, is inevitably partial and uneven. Thus, for example, many new products will emerge from irrational processes and the rational development process may be used (if at all) to screen out the worst non-runners. The design of the advertising, and the packaging, will be the output of the creative minds employed; which management will then screen, often by ‘gut-reaction’, to ensure that it is reasonable.

For most of the time, marketing managers use intuition and experience to analyse and handle the complex, unique situations being faced; without easy reference to theory. This will often be ‘flying by the seat of the pants’, or ‘gut-reaction’; where the overall strategy, coupled with the knowledge of the customer which has been absorbed almost by a process of osmosis, will determine the quality of the marketing employed. This, almost instinctive management, is what is sometimes called ‘coarse marketing’; to distinguish it from the refined, aesthetically pleasing, form favored by the theorists.
The word event evokes visuals of a brightly lit stage with well-known cine artistes performing to popular numbers. Sure, that’s an event and it’s handled by an event management company, but the scope does not end there. Event management can comprise handling marketing of soaps in rural areas through street plays or ground promotion activity of a new liquor brand launch. What we are talking of is below-the-line marketing, which has become an important tool for companies to build the brand image in the minds of the target audience. And as competition grows fiercer, event marketing could become a vital marketing weapon to tap the designated audience.

Event management today has become a multi-crore industry with live entertainment events, both domestic and international, assuring a big audience. Television events have also become a staple diet in the fare dished out by various television channels. According to industry estimates, the industry had a total billing of Rs 1,950 crore for 2002. Of the total figure, domestic events accounted for Rs 1,150 crore, while international events raked in Rs 800 crore. It is estimated that the industry is expected to grow at a rate of 30 per cent per annum over the next five years. By 2006, the industry is expected to have billings of Rs 11,600 crore. However, it is not just live shows and events which will spur this growth. Industry experts opine that it will be the use of events as a strategic marketing tool, which will also be instrumental in the growth of this industry. According to Fountainhead Promotions & Events Pvt Ltd director Brian Tell is companies are increasingly looking at below-the-line activity, to compliment advertising and publicity, which are traditionally considered above-the-line promotions. “Event management can be called experiential marketing. The strategy is to address the customer and this is where events, promotions, seminars and conferences come into play,” said Mr Tellis. So if it is product launches like Tata Indigo, Yamaha Enticer or Christian Dior or roadshows by Cartoon Network, National Geographic or Parle, event management today has acquired a whole new dimension, right from conceptualising to marketing to execution.

Events today incorporate marketing, sponsorship, financial management, operations, logistics, licensing and permissions, to name a few. “The idea of an event is to entertain as well get the message across. One has to visualise and then execute a particular event keeping in mind the target audience,” said Red Pepper Communication director Farid Currim. He said corporates are increasingly looking at events both for their internal as well external functions. “Recently, a reputed company in the field of consultancy organised an offsite at Goa for its employees and their families. The agenda was two-fold-to foster a sense of camaraderie amongst the employees through fun and games and to thrash out various issues related to business,” said Mr Currim.

Increasingly, companies from various sectors have realised the importance of targeting the right audience through events. Roadshows, promotions and seminars now go in tandem with the regular print and media advertisements that the companies carry out. Liquor and cigarette companies, who are banned from directly advertising their wares on television, utilise the medium of event marketing on a large scale. Likewise, FMCG companies, clothing and automobile companies also undertake event marketing to promote their products. Now, even companies from the pharmaceutical sector have realised that promoting the products through events enables them to focus on the target audience and get the desired brand mileage. “More and more companies are realising the potential of marketing through the medium of events. While it is true that cost per eyeball may be expensive, events ensure complete focus from the audience and brand recall, which is important in today’s competitive scenario,” said Wizcraft business head Simon Caszo.

The rural populace is a huge segment which more and more companies are eyeing to fuel their growth. Ground promotions in the hinterland of the country now play an important role in the marketing strategy of companies. Event management companies say that more companies are increasingly using their services to weave their promotions with street theatre, melas (fairs), community meetings and religious occasions, which are a regular feature in rural India. “We have done more than 100 events in the interiors of India in the last one year. This is a reflection of the seriousness with which companies are looking at rural India,” said Mr Caszo. Mr Currim said that for promotions in the interiors, the companies approach event managers to co-ordinate the entire project, right from conceptualising, packaging to execution. “We send advance parties to conduct the race and spread the news of the event at a particular location,” he added. The spurt in event marketing has also given rise to the need for professionals who understand the medium and are able to execute the projects to the hilt. To cater to the needs of the industry, institutes like the National Institute of Event Management (NIEM) and Event Management Development Institute (EMDI) impart training on various aspects of event management. Aspects such as organisational skills, technical knowledge,
public relations, marketing, logistics, study of law and sciences, risk management and budgeting are covered in the curriculum by these institutes. “While the courses provide theoretical knowledge, the emphasis is on practical knowledge. The hands-on approach enables the students to understand the nuances of event management,” said EMDI joint director Nowshir Engineer. He added that EMDI is now spreading to cities like Bangalore, Kochi, Hyderabad and Pune to cater to the demands of the growing industry. Likewise NIEM has branches in Pune, Hyderabad, New Delhi and Bangalore.

The growth and the potential of the industry notwithstanding, industry players feel that there is need to get more structure to this sector. Issues like discrepancy in entertainment tax across the country, single-window clearance for permissions at central and state level and intellectual property rights are contentious issues which industry experts feel has to be addressed from a single platform. “The event management industry has to be seen as one organised sector, where the players come together under a single roof to address the various issues facing the industry and take them to the relevant authority,” said Mr Tellis. A beginning has been made to this effect, with the formation of the Event Management Association of India (EMAI). EMAI has been set up under the aegis of the Federation of Indian Chambers of Commerce & Industry (Ficci). Thus, the future looks bright albeit with a few impediments which the industry hopes would be sorted as it moves from a sunrise sector to a more mature industry. The path towards touching the magical figure of Rs 11,600 crore estimated by Ficci would, therefore, be interesting.

### 3.4 Marketing

Marketing is a societal process which discerns consumers’ wants, focusing on a product or service to fulfill those wants, attempting to move the consumers toward the products or services offered. Marketing is fundamental to any businesses growth. The marketing teams (marketers) are tasked to create consumer awareness of the products or services through marketing techniques. Unless it pays due attention to its products and services and consumers’ demographics and desires, a business will not usually prosper over time. Marketing tends to be seen as a creative industry, which includes advertising, distribution and selling. It is also concerned with anticipating the customers’ future needs and wants, which are often discovered through market research. Essentially, marketing is the process of creating or directing an organisation to be successful in selling a product or service that people not only desire, but are willing to buy. Therefore good marketing must be able to create a “proposition” or set of benefits for the end customer that delivers value through products or services.

A market-focused, or customer-focused, organisation first determines what its potential customer’s desire, and then builds the product or service. Marketing theory and practice is justified in the belief that customers use a product or service because they have a need, or because it provides a perceived benefit. Two major factors of marketing are the recruitment of new customers (acquisition) and the retention and expansion of relationships with existing customers (base management). Once a marketer has converted the prospective buyer, base management marketing takes over. The process for base management shifts the marketer to building a relationship, nurturing the links, enhancing the benefits that sold the buyer in the first place, and improving the product/service continuously to protect the business from competitive encroachments.

For a marketing plan to be successful, the mix of the four “Ps” must reflect the wants and desires of the consumers or Shoppers in the target market. Trying to convince a market segment to buy something they don’t want is extremely expensive and seldom successful. Marketers depend on insights from marketing research, both formal and informal, to determine what consumers want and what they are willing to pay for. Marketers hope that this process will give them a sustainable competitive advantage. Marketing management is the practical application of this process. The offer is also an important addition to the 4P’s theory. Within most organisations, the activities encompassed by the marketing function are led by a Vice President or Director of Marketing. A growing number of organisations, especially large US companies, have a Chief Marketing Officer position, reporting to the Chief Executive Officer.

The American Marketing Association (AMA) states, “Marketing is an organisational function and a set of processes for creating, communicating and delivering value to customers and for managing customer relationships in ways that benefit the organisation and its stakeholders. “Marketing methods are informed by many of the social sciences, particularly psychology, Sociology, and economics. Anthropology is also a small, but growing influence. Market research underpins these activities. Through advertising, it is also related to many of the creative arts. Marketing
is a wide and heavily interconnected subject with extensive publications. It is also an area of activity infamous for re-inventing itself and its vocabulary according to the times and the culture.

3.4.1 Two Levels of Marketing

- Strategic marketing attempts to determine how an organisation competes against its competitors in a market place. In particular, it aims at generating a competitive advantage relative to its competitors.
- Operational marketing executes marketing functions to attract and keep customers and to maximise the value derived for them, as well as to satisfy the customer with prompt services and meeting the customer expectations. Operational Marketing includes the determination of the marketing mix (4 Ps).

3.4.2 Four Ps

In the early 1960’s, Professor Neil Borden at Harvard Business School identified a number of company performance actions that can influence the consumer decision to purchase goods or services. Borden suggested that all those actions of the company represented a “Marketing Mix”. Professor E. Jerome McCarthy, also at the Harvard Business School in the early 1960s, suggested that the Marketing Mix contained 4 elements: product, price, place and promotion.

In popular usage, “marketing” is the promotion of products, especially advertising and branding. However, in professional usage the term has a wider meaning which recognises that marketing is customer-centered. Products are often developed to meet the desires of groups of customers or even, in some cases, for specific customers. E. Jerome McCarthy divided marketing into four general sets of activities. His typology has become so universally recognised that his four activity sets, the Four Ps, have passed into the language. The four Ps are:

- Product: The product aspects of marketing deal with the specifications goods or services, and how it relates to the end-user’s needs and wants. The scope of a product generally includes supporting elements such as warranties, guarantees, and support.
- Pricing: This refers to the process of setting a price for a product, including discounts. The price need not be monetary - it can simply be what is exchanged for the product or services, e.g. time, energy, psychology or attention.
- Promotion: This includes advertising, sales promotion, publicity, and personal selling, branding and refers to the various methods of promoting the product, brand, or company.
- Placement (or distribution): Refers to how the product gets to the customer; for example, point of sale placement or retailing. This fourth P has also sometimes been called Place, referring to the channel by which a product or services is sold (e.g. online vs. retail), which geographic region or industry, to which segment (young adults, families, business people), etc.

These four elements are often referred to as the marketing mix, which a marketer can use to craft a marketing plan. The four Ps model is most useful when marketing low value consumer products. Industrial products, services, high value consumer products require adjustments to this model. Services marketing must account for the unique nature of services. Industrial or B2B marketing must account for the long term contractual agreements that are typical in supply chain transactions. Relationship marketing attempts to do this by looking at marketing from a long term relationship perspective rather than individual transactions.

As a counter to this, Morgan, in Riding the Waves of Change, suggests that one of the greatest limitations of the 4 Ps approach” is that it unconsciously emphasises the inside-out view (looking from the company outwards), whereas the essence of marketing should be the outside-in approach”. Nevertheless, the 4 Ps offer a memorable and workable guide to the major categories of marketing activity, as well as a framework within which these can be used.

3.4.3 Seven Ps

As well as the standard four P’s (Product, Pricing, Promotion and Place), services marketing calls upon an extra three, totalling seven and known together as the extended marketing mix. These are:
People
Any person coming into contact with customers can have an impact on overall satisfaction. Whether as part of a supporting service to a product or involved in a total service, people are particularly important because, in the customer’s eyes, they are generally inseparable from the total service. As a result of this, they must be appropriately trained, well motivated and the right type of person. Fellow customers are also sometimes referred to under ‘people’, as they too can affect the customer’s service experience, (e.g., at a sporting event).

Process
This is the process which is involved in providing a service and the behaviour of people, which can be crucial to customer satisfaction.

Physical evidence
Unlike a product, a service cannot be experienced before it is delivered, which makes it intangible. This, therefore, means that potential customers could perceive greater risk when deciding whether to use a service. To reduce the feeling of risk, thus improving the chance for success, it is often vital to offer potential customers the chance to see what a service would be like. This is done by providing physical evidence, such as case studies, testimonials or demonstrations.

The Four New Ps:

Personalisation
It is here referred customisation of products and services through the use of the Internet. Early examples include Dell on-line and Amazon.com, but this concept is further extended with emerging social media and advanced algorithms. Emerging technologies will continue to push this idea forward.

Participation
This is to allow customer to participate in what the brand should stand for; what should be the product directions and even which ads to run. This concept is laying the foundation for disruptive change through democratisation of information.

Peer-to-Peer
This refers to customer networks and communities where advocacy happens. The historical problem with marketing is that it is “interruptive” in nature, trying to impose a brand on the customer. This is most apparent in TV advertising. These “passive customer bases” will ultimately be replaced by the “active customer communities”. Brand engagement happens within those conversations. P2P is now being referred as Social Computing and is likely to be the most disruptive force in the future of marketing.

Predictive modelling
This refers to algorithms that are being successfully applied in marketing problems (both a regression as well as a classification problem).

3.5 Marketing Communications
Marketing communications breaks down the strategies involved with marketing messages into categories based on the goals of each message. There are distinct stages in converting strangers to customers that govern the communication medium that should be used.

Advertising
• Paid form of public presentation and expressive promotion of ideas
• Aimed at masses
• Manufacturer may determine what goes into advertisement
• Pervasive and impersonal medium
Functions and advantages of successful advertising

- Task of the salesman made easier
- Forces manufacturer to live up to conveyed image
- Protects and warns customers against false claims and inferior products
- Enables manufacturer to mass-produce product
- Continuous reminder
- Uninterrupted production a possibility
- Increases goodwill
- Raises standards of living (or perceptions thereof)
- Prices decrease with increased popularity
- Educates manufacturer and wholesaler about competitors’ offerings as well as shortcomings in their own.

Objectives
There are various objectives which are given below:

- Maintain demand for well-known goods
- Introduce new and unknown goods
- Increase demand for well-known goods

Requirements of a good advertisement

- Attract attention (awareness)
- Stimulate interest
- Create a desire
- Bring about action

Eight steps in an advertising campaign

- Market research
- Setting out aims
- Budgeting Choice of media (TV, newspaper, radio)
- Choice of actors (New Trend)
- Design and wording
- Coordination
- Test results

Personal sales
Oral presentation given by a salesman who approaches individuals or a group of potential customers:

- Live, interactive relationship
- Personal interest
- Attention and response
- Interesting presentation

Sales promotion
Short-term incentives to encourage buying of products:

- Instant appeal
- Anxiety to sell
Marketing Public Relations (MPR)

- Stimulation of demand through press release giving a favourable report to a product
- Higher degree of credibility
- Effectively news
- Boosts enterprise’s image

3.6 Customer Focus

Many companies today have a customer focus (or customer orientation). This implies that the company focuses its activities and products on consumer demands. Generally there are three ways of doing this: the customer driven approach, the sense of identifying market changes and the product innovation approach.

In the consumer-driven approach, consumer wants are the drivers of all strategic marketing decisions. No strategy is pursued until it passes the test of consumer research. Every aspect of a market offering, including the nature of the product itself, is driven by the needs of potential consumers. The starting point is always the consumer. The rationale for this approach is that there is no point spending R&D funds developing products that people will not buy. History attests to many products that were commercial failures in spite of being technological breakthroughs.

A formal approach to this customer-focused marketing is known as SIVA (Solution, Information, Value, and Access). This system is basically the four Ps renamed and reworded to provide a customer focus. The SIVA Model provides a demand/customer centric version alternative to the well known 4Ps supply side model (product, price, place, promotion) of marketing management.

The four elements of the SIVA model are:

- Solution: How appropriate is the solution to the customer’s problem/need?
- Information: Does the customer know about the solution, and if so how, who from, do they know enough to let them make a buying decision?
- Value: Does the customer know the value of the transaction, what it will cost, what are the benefits, what might they have to sacrifice, what will be their reward?
- Access: Where can the customer find the solution? How easily/locally/remotely can they buy it and take delivery?

This model was proposed by Chekitan Dev and Don Schultz in the Marketing Management Journal of the American Marketing Association, and presented by them in Market Leader - the journal of the Marketing Society in the UK. The model focuses heavily on the customer and how they view the transaction.
3.7 Product Focus

In a product innovation approach, the company pursues product innovation, then tries to develop a market for the product. Product innovation drives the process and marketing research is conducted primarily to ensure that a profitable market segment(s) exists for the innovation. The rationale is that customers may not know what options will be available to them in the future so we should not expect them to tell us what they will buy in the future. However, marketers can aggressively over-pursue product innovation and try to overcapitalise on a niche. When pursuing a product innovation approach, marketers must ensure that they have a varied and multi-tiered approach to product innovation. It is claimed that if Thomas Edison depended on marketing research he would have produced larger candles rather than inventing light bulbs. Many firms, such as research and development focused companies, successfully focus on product innovation (Such as Nintendo who constantly change the way Video games are played). Many purists doubt whether this is really a form of marketing orientation at all, because of the ex post status of consumer research. Some even question whether it is marketing.

- An emerging area of study and practice concerns internal marketing, or how employees are trained and managed to deliver the brand in a way that positively impacts the acquisition and retention of customers (employer branding).
- Diffusion of innovations research explores how and why people adopt new products, services and ideas.
- A relatively new form of marketing uses the Internet and is called internet marketing or more generally e-marketing, affiliate marketing, desktop advertising or online marketing. It typically tries to perfect the segmentation strategy used in traditional marketing. It targets its audience more precisely, and is sometimes called personalised marketing or one-to-one marketing.
- With consumers’ eroding attention span and willingness to give time to advertising messages, marketers are turning to forms of Permission marketing such as Branded content, custom media and Reality marketing.
- The use of herd behaviour in marketing.

In an article entitled “Swarming the shelves: How shops can exploit people’s herd mentality to increase sales”, The Economist recently reported a recent conference in Rome on the subject of the simulation of adaptive human behaviour. Mechanisms to increase impulse buying and get people “to buy more by playing on the herd instinct” were shared. The basic idea is that people will buy more of products that are seen to be popular, and several feedback mechanisms to get product popularity information to consumers are mentioned, including smart-cart technology and the use of Radio Frequency Identification Tag technology. A “swarm-moves” model was introduced by a Princeton researcher, which is appealing to supermarkets because it can “increase sales without the need to give people discounts.” Large retailers Wal-Mart in the United States and Tesco in Britain plan to test the technology in spring 2007. Other recent studies on the “power of social influence” include an “artificial music market in which some 14,000 people downloaded previously unknown songs” (Columbia University, New York); a Japanese chain of convenience stores which orders its products based on “sales data from department stores and research companies;” a Massachusetts company exploiting knowledge of social networking to improve sales; and online retailers who are increasingly informing consumers about “which products are popular with like-minded consumers” (e.g., Amazon, eBay).

3.8 Criticism of Marketing

Some aspects of marketing, especially promotion, are the subject of criticism. It is especially problematic in classical economic theory, which is based on the assumption that supply and demand are independent. However, product promotion is an attempt coming from the supply side to influence demand. In this way producer market power is attained as measured by profits that would not be realised under a free market. Then the argument follows that non-free markets are imperfect and lead to production and consumption of suboptimal amounts of the product. Critics acknowledge that marketing has legitimate uses in connecting goods and services to the consumers who want them. Critics also point out that marketing techniques have been used to achieve morally dubious ends by businesses, governments and criminals. Critics see a systemic social evil inherent in marketing. Marketing is accused of creating ruthless exploitation of both consumers and workers by treating people as commodities whose purpose is to consume. Most marketers believe that marketing techniques themselves are amoral. While it is ethically neutral, it can be used for negative purposes, such as selling unhealthy food to obese people, but it can also have a positive influence on consumer welfare. What exactly is marketing and why is it important to you as an entrepreneur? Simply stated,
marketing is everything you do to place your product or service in the hands of potential customers. It includes diverse disciplines like sales, public relations, pricing, packaging, and distribution. In order to distinguish marketing from other related professional services, S.H. Simmons, author and humorist, relates this anecdote.

“If a young man tells his date she’s intelligent, looks lovely, and is a great conversationalist, he’s saying the right things to the right person and that’s marketing. If the young man tells his date how handsome, smart and successful he is -that’s advertising. If someone else tells the young woman how handsome, smart and successful her date is -that’s public relations.”

You might think of marketing this way. If business is all about people and money and the art of persuading one to part from the other, then marketing is all about finding the right people to persuade. Marketing is your strategy for allocating resources (time and money) in order to achieve your objectives (a fair profit for supplying a good product or service). Yet the most brilliant strategy won’t help you earn a profit or achieve your wildest dreams if it isn’t built around your potential customers. A strategy that isn’t based on customers is rather like a man who knows a thousand ways to make love to a woman, but doesn’t know any women. Great in theory but unrewarding in practice.

If you fit the classic definition of an entrepreneur (someone with a great idea who’s under-capitalised), you may think marketing is something you do later -after the product is developed, manufactured, or ready to sell. Though it may feel counter-intuitive, marketing doesn’t begin with a great idea or a unique product. It begins with customers -those people who want or need your product and will actually buy it. Entrepreneurs are in love with their ideas, and they should be. After all, why would anyone commit their energy, life savings, and no small part of their sanity to anything less than a consuming passion. Because entrepreneurs are passionate about their idea, product, or service, they innocently assume other people will feel the same. Here’s the bad news -it just doesn’t work that way! People have their own unique perceptions of the world based on their belief system. The most innovative ideas, the greatest products, or a superior service succeed only when you market within the context of people’s perceptions.

Context can be many things, singly or simultaneously. To name a few, you may market to your customers within the context of their wants, needs, problems solved, or situation improved. Entrepreneurs need to be aware of many other contexts, such as social and economic trends or governmental regulations, which we’ll discuss another time.

People don’t just “buy” a product. They “buy” the concept of what that product will do for them, or help them do for themselves. People who are overweight don’t join a franchise diet centre to eat pre-packaged micro-meals. They “buy” the concept of a new, thin, happy and successful self. Before you become consumed with entrepreneurial zeal and invest your life savings in a new venture, become a smart marketer. Take time at the beginning to discover who your potential customers are, and how to effectively reach them. Without a plan, your entrepreneurial dream is really wishful thinking. While a marketing plan can be a map for success, remember that the map is not the territory. A strategy that ignores the customer isn’t an accurate reflection of the landscape.

A good marketing plan can help you focus your energy and resources. But a plan created in a vacuum, based solely on your perceptions, does not advance the agenda. That’s why market research, however simple or sophisticated, is important. Just keep in mind that research attempts to predict the future by studying the past. It reveals what people have done, and extrapolates what people might do -not what people will do. Planning is imperative, research is important, but there’s no substitute for entrepreneurial insight. After all, as Mark Twain wrote, “You cannot depend on your eyes when your imagination is out of focus”.

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**Summary**

- A marketing strategy is a process that can allow an organisation to concentrate its limited resources on the greatest opportunities to increase sales and achieve a sustainable competitive advantage.
- A publishing strategy can serve as the foundation of a marketing plan.
- The design of the advertising, and the packaging, will be the output of the creative minds employed; which management will then screen, often by 'gut-reaction', to ensure that it is reasonable.
- The word event evokes visuals of a brightly lit stage with well-known cine artistes performing to popular numbers.
- The rural populace is a huge segment which more and more companies are eyeing to fuel their growth.
- The four Ps model is most useful when marketing low value consumer products.
- A good marketing plan can help you focus your energy and resources. But a plan created in a vacuum, based solely on your perceptions, does not advance the agenda.
- Marketing is your strategy for allocating resources (time and money) in order to achieve your objectives (a fair profit for supplying a good product or service).
- Critics acknowledge that marketing has legitimate uses in connecting goods and services to the consumers who want them.
- The basic idea is that people will buy more of products that are seen to be popular, and several feedback mechanisms to get product popularity information to consumers are mentioned, including smart-cart technology and the use of Radio Frequency Identification Tag technology.
- Product innovation drives the process and marketing research is conducted primarily to ensure that a profitable market segment(s) exists for the innovation.
- Planning is imperative, research is important, but there’s no substitute for entrepreneurial insight.

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- **Strategic Marketing Events** [Pdf] Available at: <http://shura.shu.ac.uk/5228/1/IJFEM.pdf> [Accessed 23 May 2013].

**Recommended Reading**

1. ________ is imperative, research is important, but there’s no substitute for entrepreneurial insight.
   a. Planning
   b. Screening
   c. Acting
   d. Researching

2. The ________ model is most useful when marketing low value consumer products.
   a. four Ps
   b. seven Ps
   c. eight Ps
   d. six Ps

3. ________ acknowledge that marketing has legitimate uses in connecting goods and services to the consumers who want them.
   a. Customer
   b. Critics
   c. Criteria
   d. Condition

4. A ________ strategy can serve as the foundation of a marketing plan.
   a. consumer
   b. organisation
   c. marketing
   d. publishing

5. ________ need to be aware of many other contexts, such as social and economic trends or governmental regulations.
   a. Event
   b. Organisation
   c. Entrepreneurs
   d. Publishers

6. Marketing participants often employ ________ models and tools to analyse marketing decisions.
   a. strategic
   b. difficult
   c. acting
   d. event

7. Which of the following statements is false?
   a. Planning is not imperative, research is important, but there’s no substitute for entrepreneurial insight.
   b. The four Ps model is most useful when marketing low value consumer products.
   c. The word event evokes visuals of a brightly lit stage with well-known cine artistes performing to popular numbers.
   d. A publishing strategy can serve as the foundation of a marketing plan.
8. Which of the following statements if true?
   a. Event need to be aware of many other contexts, such as social and economic trends or governmental regulations.
   b. Marketing participants often employ acting models and tools to analyse marketing decisions.
   c. Critics do not acknowledge that marketing has legitimate uses in connecting goods and services to the consumers who want them.
   d. Product innovation drives the process and marketing research is conducted primarily to ensure that a profitable market segment(s) exists for the innovation.

9. The word ________ evokes visuals of a brightly lit stage with well-known cine artistes performing to popular numbers.
   a. management
   b. event
   c. product
   d. innovation

10. The ________ populace is a huge segment which more and more companies are eyeing to fuel their growth.
    a. rural
    b. urban
    c. event
    d. management
Chapter IV
Project Management for Events

Aim
The aim of this chapter is to:

• explicate the concept of project management
• explain the importance of project management
• elucidate the need for project management

Objectives
The objectives of this chapter are to:

• examine the evolution of event management
• analyse the process of management
• enlist the benefits of project management

Learning outcome
At the end of this chapter, you will be able to:

• define project management
• understand the importance of management
• identify the various types of project management
4.1 Introduction

Project Management is the discipline of planning, organising, and managing resources to bring about the successful completion of specific project goals and objectives. A project is a finite endeavour—having specific start and completion dates—undertaken to create a unique product or service which brings about beneficial change or added value. This finite characteristic of projects stands in sharp contrast to processes, or operations, which are permanent or semi-permanent functional work to repetitively produce the same product or service. In practice, the management of these two systems is often found to be quite different, and as such requires the development of distinct technical skills and the adoption of separate management philosophy, which is the subject of this article.

The primary challenge of project management is to achieve all of the project goals and objectives while adhering to classic project constraints—usually scope, quality, time and budget. The secondary—and more ambitious—challenge is to optimise the allocation and integration of inputs necessary to meet pre-defined objectives. A project is a carefully defined set of activities that use resources (money, people, materials, energy, space, provisions, communication, motivation, etc.) to achieve the project goals and objectives.

As a discipline, project management developed from different fields of application including construction, engineering, and defence. In the United States, the forefather of project management is Henry Gantt, called the father of planning and control techniques, who is famously known for his use of the Gantt chart as a project management tool, for being an associate of Frederick Winslow Taylor’s theories of scientific management, and for his study of the work and management of Navy ship building. His work is the forerunner to many modern project management tools including the work breakdown structure (WBS) and resource allocation.

The 1950s marked the beginning of the modern project management era. Again, in the United States, prior to the 1950s, projects were managed on an ad hoc basis using mostly Gantt Charts, and informal techniques and tools. At that time, two mathematical project scheduling models were developed:

- the “Programme Evaluation and Review Technique” or PERT, developed by Booz-Allen & Hamilton as part of the United States Navy’s (in conjunction with the Lockheed Corporation) Polaris missile submarine programme; and
- the “Critical Path Method” (CPM) developed in a joint venture by ‘both DuPont Corporation and Remington Rand Corporation for managing plant maintenance projects. These mathematical techniques quickly spread into many private enterprises.

At the same time, technology for project cost estimating, cost management, and engineering economics was evolving, with pioneering work by Hans Lang and others. In 1956, the American Association of Cost Engineers (now AACE International; the Association for the Advancement of Cost Engineering) was formed by early practitioners of project management and the associated specialties of planning and scheduling, cost estimating, and cost/schedule control (project control). AACE has continued its pioneering work and in 2006 released the first ever integrated process for portfolio, programme and project management.

In 1969, the Project Management Institute (PMI) was formed to serve the interest of the project management industry. The premise of PMI is that the tools and techniques of project management are common even among the widespread application of projects from the software industry to the construction industry. In 1981, the PMI Board of Directors authorised the development of what has become A Guide to the Project Management Body of Knowledge (PMBOK Guide), containing the standards and guidelines of practice that are widely used throughout the profession. The International Project Management Association (IPMA), founded in Europe in 1967, has undergone a similar development and instituted the IPMA Competence Baseline (ICB). The focus of the ICB also begins with knowledge as a foundation, and adds considerations about relevant experience, interpersonal skills, and competence. Both organisations are now participating in the development of an ISO project management standard.
Definitions
PMBOK (Project Management-Body of Knowledge as defined by the Project Management Institute - PMI): "Project management is the application of knowledge, skills, tools and techniques to project activities to meet project requirements."

PRINCE2 project management methodology: "The planning, monitoring and control of all aspects of the project and the motivation of all those involved in it to achieve the project objectives on time and to the specified cost, quality and performance."

PROJECT: A temporary endeavour with a finite completion date undertaken to create a unique product or service. Projects bring form or function to ideas or needs.

DIN 69901 (Deutsches Institute for Normung-German Organisation for Standardisation): "Project management is the complete set of tasks, techniques, tools applied during project execution".

Project management is quite often the province and responsibility of an individual project manager. This individual seldom participates directly in the activities that produce the end result, but rather strives to maintain the progress and productive mutual interaction of various parties in such a way that overall risk of failure is reduced. A project manager is often a client representative and has to determine and implement the exact needs of the client, based on knowledge of the firm they are representing. The ability to adapt to the various internal procedures of the contracting party, and to form close links with the nominated representatives, is essential in ensuring that the key issues of cost, time, quality, and above all, client satisfaction, can be realised.

In whatever field, a successful project manager must be able to envision the entire project from start to finish and to have the ability to ensure that this vision is realised. Any type of product or service - buildings, vehicles, electronics, computer software, financial services, etc., may have its implementation overseen by a project manager and its operations by a product manager.

4.2 The Traditional Triple Constraints
Like any human undertaking, projects need to be performed and delivered under certain constraints. Traditionally, these constraints have been listed as scope, time, and cost. These are also referred to as the Project Management Triangle, where each side represents a constraint. One side of the triangle cannot be changed without impacting the others. A further refinement of the constraints separates product’ quality’ or ‘performance’ from scope, and turns quality into a fourth constraint.

4.3 The Project Management Triangle
The time constraint refers to the amount of time available to complete a project. The cost constraint refers to the budgeted amount available for the project. The scope constraint refers to what must be done to produce the project’s end result. These three constraints are often competing constraints: increased scope typically means increased time and increased cost, a tight time constraint could mean increased costs and reduced scope, and a tight budget could mean increased time and reduced scope. The discipline of project management is about providing the tools and techniques that enable the project team (not just the project manager) to organise their work to meet these constraints. Another approach to project management is to consider the three constraints as finance, time and human resources. If you need to finish a job in a shorter time, you can throw more people at the problem, which in turn will raise the cost of the project, unless by doing this task quicker we will reduce costs elsewhere in the project by an equal amount.

4.3.1 Time
For analytical purposes, the time required to produce a deliverable is estimated using several techniques. One method is to identify tasks needed to produce the deliverables documented in a work breakdown structure or WBS. The work effort for each task is estimated and those estimates are rolled up into the final deliverable estimate. The tasks are also prioritised, dependencies between tasks are identified, and this information is documented in a project schedule. The dependencies between the tasks can affect the length of the overall project (dependency constrained), as can the availability of resources (resource constrained). Time is not considered as cost or a resource since the
project manager cannot control the rate at which it is expended. This makes it different from all other resources and cost categories. It should be remembered that no effort expended will have any higher quality than that of the effort expenders.

4.3.2 Cost
Cost to develop a project depends on several variables including (chiefly): resource costs, labour rates, material rates, risk management (i.e., cost contingency), Earned value management, plant (buildings, machines, etc.), equipment, cost escalation, indirect costs, and profit. But beyond this basic accounting approach to fixed and variable costs, the economic cost that must be considered includes worker skill and productivity which is calculated by variation to project cost estimates. This is important when companies hire temporary or contract employees or outsource work.

4.3.3 Scope
Requirements specified for the end result. The overall definition of what the project is supposed to accomplish, and a specific description of what the end result should be or accomplish. A major component of scope is the quality of the final product. The amount of time put into individual tasks determines the overall quality of the project. Some tasks may require a given amount of time to complete adequately, but given more time could be completed exceptionally. Over the course of a large project, quality can have a significant impact on time and cost (or vice versa). Together, these three constraints have given rise to the phrase “On Time, On Spec, On Budget”. In this case, the term “scope” is substituted with “specification”.

4.4 Project Control Variables
Project Management tries to gain control over variables such as risk: Potential points of failure: Most negative risks (or potential failures) can be overcome or resolved, given enough planning capabilities, time, and resources. According to some definitions (including PMBOK Third Edition) risk can also be categorised as “positive--” meaning that there is a potential opportunity, e.g., complete the project faster than expected. Customers (either internal or external project sponsors) and external organisations (such as government agencies and regulators) can dictate the extent of three variables: time, cost, and scope. The remaining variable (risk) is managed by the project team, ideally based on solid estimation and response planning techniques. Through a negotiation process among project stakeholders, an agreement defines the final objectives, in terms of time, cost, scope, and risk, usually in the form of a charter or contract. To properly control these variables a good project manager has a depth of knowledge and experience in these four areas (time, cost, scope, and risk), and in six other areas as well: integration, communication, human resources, quality assurance, schedule development, and procurement.

4.5 Approaches
There are several approaches that can be taken to managing project activities including agile, interactive, incremental, and phased approaches. Regardless of the approach employed, careful consideration needs to be given to clarify surrounding project objectives, goals, and importantly, the roles and responsibilities of all participants and stakeholders.

The traditional approach a Software Permanent Improvement and Capability traditional phased approach identifies a sequence of steps to be completed. In the traditional approach, we can distinguish 5 components of a project (4 stages plus control) in the development of a project:

- Project initiation stage
- Project planning or design stage
- Project execution or production stage
- Project monitoring and controlling systems
- Project completion stage.

Not all the projects will visit every stage as projects can be terminated before they reach completion. Some projects probably don’t have the planning and/or the monitoring. Some projects will go through steps 2, 3 and 4 multiple times. Many industries utilise variations on these stages. For example, in bricks and mortar architectural design, projects typically progress through stages like Pre-Planning, Conceptual Design, Schematic Design, Design Development,
Construction Drawings (or Contract Documents), and Construction Administration. In software development, this approach is often known as ‘waterfall development’, i.e., one series of tasks after another in linear sequence. In software development many organisations have adapted the Rational Unified Process (RUP) to fit this methodology, although RUP does not require or explicitly recommend this practice.

Waterfall development can work for small tightly defined projects, but for larger projects of undefined or unknowable scope, it is less suited. The Cone of Uncertainty explains some of this as the planning made on the initial phase of the project suffers from a high degree of uncertainty. This becomes specially true as software development is often the realisation of a new or ‘novel product, this method has been widely accepted as ineffective for software projects where requirements are largely unknowable up front and susceptible to change. While the names may differ from industry to industry, the actual stages typically follow common steps to problem solving--defining the problem, weighing options, choosing a path, implementation and evaluation.

### 4.6 Rational Unified Process

The Rational Unified Process (RUP) is an iterative software development process framework created by the Rational Software Corporation, a division of IBM since 2003. RUP is not a single concrete prescriptive process, but rather an adaptable process framework, intended to be tailored by the development organisations and software project teams that will select the elements of the process that are appropriate for their needs. The following are phases of RUP, which align to business activities intended to drive successful delivery and deployment of projects.

- **Inception**: Identify the initial scope of the project, a potential architecture for the system, and obtain initial project funding and stakeholder acceptance.
- **Elaboration**: Prove the architecture of the system.
- **Construction**: Build working software on a regular, incremental basis which meets the highest-priority needs of project stakeholders.
- **Transition**: Validate and deploy the system into the production environment

The open source version of RUP is Open UP.

### Temporary organisation sequencing concepts

- Action-based entrepreneurship
- Fragmentation for commitment-building
- Planned isolation
- Institutionalised termination

### 4.7 Critical Chain

Critical chain is the application of the Theory of Constraints (TOC) to projects. The goal is to increase the rate of throughput (or completion rates) of projects in an organisation. Applying the first three of the five focusing steps of TOC, the system constraint for all projects is identified as resources. To exploit the constraint, tasks on the critical chain are given priority over all other activities. Finally, projects are planned and managed to ensure that the critical chain tasks are ready to start as soon as the needed resources are available, subordinating all other resources to the critical chain. For specific projects, the project plan is resource leveled, and the longest sequence of resource-constrained tasks is identified as the critical chain. In multi-project environments, resource levelling should be performed across projects. However, it is often enough to identify (or simply select) a single “drum” resource—a resource that acts as a constraint across projects and stagger projects based on the availability of that single resource.

### 4.8 Extreme Project Management

In critical studies of project management, it has been noted that several of these fundamentally PERT-based models are not well suited for the multi-project company environment of today. Most of them are aimed at very large scale, one-time, non-routine projects, and nowadays all kinds of management are expressed in terms of projects. Using complex models for “projects” (or rather “tasks”) spanning a few weeks has been proven to cause unnecessary costs
and low manoeuvrability in several cases. Instead, project management experts try to identify different “lightweight” models, such as Extreme Programming for software development and Scrum techniques. The generalisation of Extreme Programming to other kinds of projects is extreme project management, which may be used in combination with the process modeling and management principles of human interaction management.

### 4.9 Event Chain Methodology

Event chain methodology is the next advance beyond critical path method and critical chain project management. Event chain methodology is an uncertainty modelling and schedule network analysis technique that is focused on identifying and managing events and event chains that affect project schedules. Event chain methodology helps to mitigate the negative impact of psychological heuristics and biases, as well as to allow for easy modelling of uncertainties in the project schedules. Event chain methodology is based on the following major principles.

- **Probabilistic Moment of Risk:** An activity (task) in most real life processes is not a continuous uniform process. Tasks are affected by external events, which can occur at some point in the middle of the task.
- **Event Chains:** Events can cause other events, which will create event chains. These event chains can significantly of the Quantitative to a cumulative effect on the project schedule.
- **Critical Events or Event Chains:** The single events or the event chains that have the most potential to affect the projects are the “critical events” or “critical chains of events.” They can be determined by the analysis.
- **Project Tracking with Events:** If a project is partially completed and data about the project duration, cost, and events occurred is available, it is possible to refine information about future potential events and helps to forecast future project performance.
- **Event Chain Visualisation:** Events and event chains can be visualised using event chain diagrams on a Gantt chart.

### 4.10 Process-Based Management

Also furthering the concept of project control is the incorporation of process-based management. This area has been driven by the use of Maturity models such as the CMMI (Capability Maturity Model Integration) and ISO/IEC 15504 (SPICE - Software Process Improvement and Capability Determination), which have been far more successful Agile project management approaches based on the principles of human interaction management are founded on a process view of human collaboration. This contrasts sharply with traditional approach. In the agile software development or flexible product development approach, the project is seen as a series of relatively small tasks conceived and executed as the situation demands in an adaptive manner, rather than as a completely pre-planned process.

### 4.11 Project Systems

As mentioned above, traditionally, project development includes five elements: control systems and four stages.

#### 4.11.1 Project Control Systems

Project control is that element of a project that keeps it on-track, on-time, and within budget. Project control begins early in the project with planning and ends late in the project with post-implementation review, having a thorough involvement of each step in the process.

Each project should be assessed for the appropriate level of control needed: too much control is too time consuming, too little control is very risky. If project control is not implemented correctly, the cost to the business should be clarified in terms of errors, fixes, and additional audit fees.

Control systems are needed for cost, risk, quality, communication, time, change, procurement, and human resources. In addition, auditors should consider how important the projects are to the financial statements, how reliant the stakeholders are on controls, and how many controls existing.
Auditors should review the development process and procedures for how they are implemented. The process of development and the quality of the final product may also be assessed if needed or requested. A business may want the auditing firm to be involved throughout the process to catch problems earlier on so that they can be fixed more easily. An auditor can serve as a controls consultant as part of the development team or as an independent auditor as part of an audit. Businesses sometimes use formal systems development processes. These help assure that systems are developed successfully. A formal process is more effective in creating strong controls, and auditors should review this process to confirm that it is well designed and is followed in practice. A good formal systems development plan outlines:

- A strategy to align development with the organisation’s broader objectives
- Standards for new systems
- Project management policies for timing and budgeting
- Procedures describing the process

### 4.11.2 Project Development Stages
Regardless of the methodology used, the project development process will have the same major stages: initiation, planning or development, production or execution, maintenance and controlling, and closing.

**Initiation**
The initiation stage determines the nature and scope of the development. If this stage is not performed well, it is unlikely that the project will be successful in meeting the business’s needs. The key project controls needed here are an understanding of the business environment and making sure that all necessary controls are incorporated into the project. Any deficiencies should be reported and a recommendation should be made to fix them.

**The initiation stage should include a cohesive plan that encompasses the following areas:**
- Study analyzing the business needs in measurable goals.
- Review of the current operations.
- Conceptual design of the operation of the final product
- Equipment requirement
- Financial analysis of the costs and benefits including a budget
- Select stake holders, including users, and support personnel for the project
- Project charter including costs, tasks, deliverables, and schedule

**Planning and design**
After the initiation stage, the system is designed. Occasionally, a small prototype of the final product is built and tested. Testing is generally performed by a combination of testers and end users, and can occur after the prototype is built or concurrently. Controls should be in place that ensures that the final product will meet the specifications of the project charter. The results of the design stage should include a product design that:
- Satisfies the project sponsor, end user, and business requirements
- Functions as it was intended
- Can be produced within quality standards
- Can be produced within time and budget constraints

**Executing**
Executing consists of the processes used to complete the work defined in the project management plan to accomplish the project’s requirements. Execution process involves coordinating people and resources, as well as integrating and performing the activities of the project in accordance with the project management plan. The deliverables are produced as outputs from the processes performed as defined in the project management plan.
**Monitoring and controlling**

Monitoring and Controlling consists of those processes performed to observe project execution so that potential problems can be identified in a timely manner and corrective action can be taken, when necessary, to control the execution of the project. The key benefit is that project performance is observed and measured regularly to identify variances from the project management plan. Monitoring and Controlling includes:

- Monitoring the ongoing project activities against the project management plan and the project performance baseline
- Influencing the factors that could circumvent integrated change control so only approved changes are implemented

In multi-phase projects, the Monitoring and Controlling process also provides feedback between project phases, in order to implement corrective or preventive actions to bring the project into compliance with the project management plan. Project Maintenance is an ongoing process, and it includes:

- Continuing support of end users
- Correction of errors
- Updates of the software over time

In this stage, auditors should pay attention to how effectively and quickly user problems are resolved. Over the course of any construction project, the work scope changes. Change is a normal and expected part of the construction process. Changes can be the result of necessary design modifications, differing site conditions, material availability, contractor-requested changes, value engineering and impacts from third parties, to name a few. Beyond executing the change in the field, the change normally needs to be documented to show what was actually constructed. Hence, the owner usually requires a final record to show all changes or, more specifically, any change that modifies the tangible portions of the finished work. The record is made on the contract documents - usually, but not necessarily limited to, the design drawings. The end product of this effort is what the industry terms as-built drawings, or more simply, “asbults.” The requirement for providing them is a norm in construction contracts.

**Closing**

Closing includes the formal acceptance of the project and the ending thereof. Administrative activities include the archiving of the files and documenting lessons learned. Closing phase consists of two parts:

- Close Project: to finalise all activities across all of the process groups to formally close the project or a project phase
- Contract Closure: necessary for completing and settling each contract, including the resolution of any open items, and closing each contract applicable to the project or a project phase.

A project, as defined in the field of project management, consists of a temporary endeavour undertaken to create a product or service. More generically, the Oxford English Dictionary suggests that business and science projects involve “a collaborative enterprise, frequently involving research or design that is carefully planned to achieve a particular aim”. The word project comes from the Latin word projector from the Latin verb procure, “to throw something forwards” which in turn comes from pro-, which denotes something that precedes the action of the next part of the word in time and acre, “to throw”. The word “project” thus actually originally meant “something that comes before anything else happens”.

When the English language initially adopted the word, it referred to a plan of something, not to the act of actually carrying this plan out. Something performed in accordance with a project became known as an “object”. This use of “project” changed in the 1950s with the introduction of several techniques for project management. Use of the word “project” evolved slightly to cover both projects and objects. However, certain projects continue to include so-called objects and object leaders.
4.12 Applicability

Contemporary Western business - characterised by a modern matrix organisation and a cooperative culture - currently particularly favours project-based approaches. Authoritarian, bureaucratic organisations with rigid, hierarchical structures show less enthusiasm about project-based work, which may not operate as expected in their environment due to conflicts between different cultures.

4.12.1 Project Evaluation

Project Evaluation is a step-by-step process of collecting, recording and organising information about project results, including short-term outputs (immediate results of activities, or project deliverables), and immediate and longer-term project outcomes (changes in behaviour, practice or policy resulting from the project).

Common rationales for conducting an evaluation are:

- Response to demands for accountability
- Demonstration of effective, efficient and equitable use of financial and other resources
- Recognition of actual changes and progress made
- Identification of success factors, need for improvement or where expected outcomes are unrealistic
- Validation for project staff and partners that desired outcomes are being achieved.

The project planning stage is the best time to identify desired outcomes and how they will be measured. This will guide future planning, as well as ensure that the data required to measure success is available when the time comes to evaluate the project. Evaluating project results is helpful in providing answers to key questions like:

- What progress has been made?
- Were the desired outcomes achieved? Why?
- Are there ways that project activities can be refined to achieve better outcomes?
- Do the project results justify the project inputs?

What are the Challenges in Monitoring and Evaluation?

- Getting the commitment to do it
- Establishing base lines at the beginning project
- Identifying realistic quantitative and indicators
- Finding the time to do it and sticking to it
- Getting feedback from your stakeholders
- Reporting back to your stakeholders

Are you ready for Project Evaluation?

- Learn about building organisational commitment to evaluation before you read on.
- Assessing outcomes can be expensive if you choose a highly technical approach. Plan assessment activities that fit realistically within your budget. Before the plans are finalised, develop a careful estimate of the cost of each evaluation activity. Consider this a project-related investment, not an administrative cost. Use the budget estimate worksheet as a guide for formulating your budget.
- Evaluation work may be beyond the ability of your staff or volunteer group, whether due to expertise or time constraints. Hiring a consultant might be the most efficient and cost-effective option for your group. Find out what to consider when hiring a consultant.

4.13 Project Management Software

Project management software is a term covering many types of software, including scheduling, cost control and budget management, resource allocation, collaboration software, communication, quality management and documentation or administration systems, which are used to deal with the complexity of large projects.
4.13.1 Tasks of Project Management Software

Scheduling
One of the most common tasks is to schedule a series of events, and the complexity of this task can vary considerably depending on how the tool is used. Some common challenges include:
- Events which depend on one another in different ways or dependencies
- Scheduling people to work on, and resources required by, the various tasks commonly termed resource scheduling
- Dealing with uncertainties in the estimates of the duration of each task
- Arranging tasks to meet various deadlines
- Juggling multiple projects simultaneously to meet a variety of requirements

4.13.2 Calculating Critical Path
In many complex schedules, there will be a critical path, or series of events that depend on each other, and whose durations directly determine the length of the whole project. Some software applications (for example, Dependency Structure Matrix solutions) can highlight these tasks, which are often a good candidate for any optimisation effort.

Providing information
Project planning software needs to provide a lot of information to various people, to justify the time spent using it. Typical requirements might include:
- Tasks lists for people, and allocation schedules for resources
- Overview information on how long tasks will take to complete
- Early warning of any risks to the project
- Information on workload, for planning holidays
- Evidence
- Historical information on how projects have progressed, and in particular, how actual and planned performance are related

4.13.3 Approaches to Project Management Software

Desktop
Project management software can be implemented as a programme that runs on the desktop of each user. This typically gives the most responsive and graphically-intensive style of interface. Desktop applications typically store their data in a file, although some have the ability to collaborate with other users, or to store their data in a central database. Even a file-based project plan can be shared between users if it’s on a networked drive, and no two people want to access it at once. Desktop applications can be written to run in a heterogeneous environment of multiple operating systems, although it’s unusual.

Web-based
Project management software can be implemented as a Web application, accessed through an intranet or extranet using a web browser. This has all the usual advantages and disadvantages of web applications:
- Can be accessed from any type of computer without installing software
- Ease of access-control
- Naturally multi-user
- Only one software version and installation to maintain
- Typically slower to respond than desktop applications
- Project information not available when the user (or server) is offline
- Some packages do allow the user to “go-offline”
Personal
A personal project management application is one used at home, typically to manage lifestyle or home projects. There is considerable overlap with single user systems, although personal project management software typically involves simpler interfaces. See also non-specialised tools below.

Single User
A single-user system is programmed with the assumption that only one person will ever need to edit the project plan at once. This may be used in small companies or ones where only a few people are involved in top-down project planning. Desktop applications generally fall into this category.

Collaborative
A collaborative system is designed to support multiple users modifying different sections of the plan at once, for example, updating the areas they personally are responsible for such that those estimates get integrated into the overall plan. Web-based tools, including extranets, generally fall into this category, but have the limitation that they can only be used when the user has live Internet access. To address this limitation, client-server-based software tools exist that provide a Rich Client that runs on users’ desktop computer and replicate project and task information to other project team members through a central server when users connect periodically to the network and other tasks. Some tools allow team members to check out their schedules (and others’ as read only) to work on them while not on the network. When reconnecting to the database, any changes are synchronised with the other schedules.

Integrated
An integrated system combines project management or project planning, with many other aspects of company life. For example, projects can have bug tracking issues assigned to each project, the list of project customers becomes a customer relationship management module, and each person on the project plan has their own task lists, calendars, and messaging functionality associated with their projects. Similarly, specialised tools like Source Forge integrate project management software with source control (CVS) software and bug-tracking software, so that each piece of information can be integrated into the same system.

Non-specialised tools
While specialised software may be common, and heavily promoted by each vendor, there are a vast range of other software (and non-software) tools used to plan and schedule projects.

- Calendaring software can often handle scheduling as easily as dedicated software
- Spreadsheets are very versatile, and can be used to calculate things not anticipated by the designers.

4.13.4 Criticisms of Project Management Software
The following may apply in general, or only to specific products.

- May not be derived from a sound project management method. For example, displaying the Gantt chart view by default encourages users to focus on task scheduling too early, rather than identifying objectives and deliverables.
- May be inconsistent with the type of project management method. For example, traditional vs. agile (say Scrum).
- Focuses primarily on the planning phase and does not offer enough functionality for project tracking, control and in particular plan-adjustment. There may be excessive dependency on the first paper print-out of a project plan, which is simply a snapshot at one moment in time. The plan is dynamic; as the project progresses the plan must change to accommodate tasks that are completed early, late, re-sequenced, etc. Good management software should not only facilitate this, but assist with impact assessment and communication of plan changes.
- Does not make a clear distinction between the planning phase and post planning phase, leading to user confusion and frustration when the software does not behave as expected. For example, shortening the duration of a task when an additional human resource is assigned to it while the project is still being planned.
• Offer complicated features to meet the needs of project management professionals, which must be understood in order to effectively use the product. Additional features may be so complicated as to be of no use to anyone. Complex task prioritisation and resource levelling algorithms for example can produce results that make no intuitive sense, and over allocation is often more simply resolved manually.

• Some people may achieve better results using simpler technique, (e.g. pen and paper), yet feel pressured into using project management software by company policy (discussion).

• Similar to PowerPoint, project management software might shield the manager from important interpersonal contact.

• New types of software are challenging the traditional definition of Project Management. Frequently, users of project management software are not actually managing a discrete project. For instance, managing the ongoing marketing for an already-released product is not a “project” in the traditional sense of the term; it does not involve management of discrete resources working on a something with a discrete beginning/end. Groupware applications now add “project management” features that directly support this type of workflow-oriented project management. Classically-trained Project Managers may argue whether this is “sound project management.” However, the end-users of such tools will refer to it as such, and the de-facto definition of the term Project Management may change.

• When there are multiple larger projects, project management software can be very useful. Nevertheless, one should probably not use management software if only a single small project is involved, as management software incurs a larger time-overhead than is worthwhile.

4.14 Limitations of the Project Management

If risks are improperly assessed and prioritised, time can be wasted in dealing with risk of losses that are not likely to occur. Spending too much time assessing and managing unlikely risks can divert resources that could be used more profitably. Unlikely events do occur but if the risk is unlikely enough to occur it may be better to simply retain the risk and deal with the result if the loss does in fact occur. Prioritising too highly the risk management processes could keep an organisation from ever completing a project or even getting started. This is especially true if other work is suspended until the risk management process is considered complete. It is also important to keep in mind the distinction between risk and uncertainty. Risk can be measured by impacts x probability all limitation is by the LACK of knowledge of the job one is the project manager of and if it is building something which is most of project managing jobs then lack of being an engineer is another one. If you work for a bridge builder you better know more then what is bridge is and what material goes into it. There is a lot of logistics that goes into the completing a project much more than just being on time, dealing with all the agencies and being a big picture person. That is why all projects have project engineers and the project manager or management companies are just high price paper pushers. Many are getting away from them unless they can out source them to India/Asia. They are even going that way with some type’s project engineers unless they are experience field engineers who can walk, talk, chew gum and they are liked by the superintendence. They the sky is the limit. Even if this isn’t the type of project management you are asking about it won’t change much in what your limitation will be in what I stated here. That is from many years of accumulated knowledge.
Summary

- Project Management is the discipline of planning, organising, and managing resources to bring about the successful completion of specific project goals and objectives.
- The primary challenge of project management is to achieve all of the project goals and objectives while adhering to classic project constraints—usually scope, quality, time and budget.
- A project manager is often a client representative and has to determine and implement the exact needs of the client, based on knowledge of the firm they are representing.
- A collaborative system is designed to support multiple users modifying different sections of the plan at once, for example, updating the areas they personally are responsible for such that those estimates get integrated into the overall plan.
- Like any human undertaking, projects need to be performed and delivered under certain constraints. Traditionally, these constraints have been listed as scope, time, and cost.
- An integrated system combines project management or project planning, with many other aspects of company life.
- A major component of scope is the quality of the final product. The amount of time put into individual tasks determines the overall quality of the project.
- There are several approaches that can be taken to managing project activities including agile, interactive, incremental, and phased approaches.
- Project management is the application of knowledge, skills, tools and techniques to project activities to meet project requirements.
- A personal project management application is one used at home, typically to manage lifestyle or home projects.
- Critical chain is the application of the Theory of Constraints (TOC) to projects. The goal is to increase the rate of throughput (or completion rates) of projects in an organisation.
- The Cone of Uncertainty explains some of this as the planning made on the initial phase of the project suffers from a high degree of uncertainty.
- Complex task prioritisation and resource levelling algorithms for example can produce results that make no intuitive sense, and over allocation is often more simply resolved manually.

References

- Corporate Event Management Tips: Guide to Planning and Organising [Video online] Available at: <https://www.youtube.com/watch?v=tBbAnF04BVY> [Accessed 3 June 2013].
- Sports event management akin to project management [Video online] Available at: <https://www.youtube.com/watch?v=pGsPOOi3mo8> [Accessed 3 June 2013].

Recommended Reading

Self Assessment

1. What is the full form of SPICE?
   a. Software Permanent Improvement and Capability Determination
   b. Software Process Improvement and Capability Determination
   c. Software Process Intense and Capability Determination
   d. Software Permanent Improvement and Capability Destination

2. __________ can work for small tightly defined projects, but for larger projects of undefined or unknowable scope, it is less suited.
   a. Software development
   b. Project management
   c. Waterfall development
   d. Software process

3. __________ are very versatile, and can be used to calculate things not anticipated by the designers.
   a. Software
   b. Project
   c. Event
   d. Spreadsheets

4. The Cone of __________ explains some of this as the planning made on the initial phase of the project suffers from a high degree of uncertainty.
   a. Uncertainty
   b. Program
   c. Events
   d. Management

5. A project manager is often a __________ representative and has to determine and implement the exact needs of the client.
   a. client
   b. public
   c. government
   d. manager

6. An __________ system combines project management or project planning, with many other aspects of company life.
   a. differential
   b. integrated
   c. management
   d. project
7. Which of the following statements is false?
   a. A personal project management application is one used at home, typically to manage lifestyle or home projects.
   b. Project management is the application of knowledge, skills, tools and techniques to project activities to meet project requirements.
   c. The Cone of Uncertainty explains some of this as the planning made on the initial phase of the project suffers from a high degree of uncertainty.
   d. An differential system combines project management or project planning, with many other aspects of company life.

8. Which of the following statements is true?
   a. Project Management is not the discipline of planning, organising, and managing resources to bring about the successful completion of specific project goals and objectives.
   b. A project manager is not a client representative and has to determine and implement the exact needs of the client, based on knowledge of the firm they are representing.
   c. A major component of scope is the quality of the final product. The amount of time put into individual tasks determines the overall quality of the project.
   d. An differential system combines project management or project planning, with many other aspects of company life.

9. ________software can often handle scheduling as easily as dedicated software.
   a. Calendaring
   b. Complicated
   c. Integrated
   d. Management

10. ________applications can be written to run in a heterogeneous environment of multiple operating systems, although it’s unusual.
    a. Network
    b. Desktop
    c. Software
    d. Management
Chapter V
Control and Budgeting

Aim

The aim of this chapter is to:

- explicate the concept of budget control
- explain the importance of proposed budget
- elucidate the need for budget control

Objectives

The objectives of this chapter are to:

- examine the evolution of budget
- analyse the process of budget
- enlist the benefits of budget control

Learning outcome

At the end of this chapter, you will be able to:

- define revised budget
- understand the importance of budget control
- identify the various types of budget control
5.1 Introduction
Budget (from French baguette, purse) generally refers to a list of all planned expenses and revenues. A budget is an important concept in microeconomics, which uses a budget line to illustrate the trade-offs between two or more goods. In other terms, a budget is an organisational plan stated in monetary terms. Capital budgeting (or investment appraisal) is the planning process used to determine whether firm’s long term investments such as new machinery, replacement machinery, new plants, new products, and research and development projects are worth pursuing.

5.2 Budget Control
It is widely recognised that budget control is essential for effective financial management of any organisation. In view of this, it is the purpose of this policy to provide clear and specific responsibility for proper budget management and control among the institutions governed by the Tennessee Board of Regents. Budgeting is the process whereby the plans of an institution are translated into an itemized, authorised, and systematic plan of operation, expressed in dollars, for a given period. Budgets are the blueprints for the orderly execution of programme plans; they serve as control mechanisms to match anticipated and actual revenues and expenditures. It is the control mechanism aspect of budgeting that is the focus of this policy.

5.2.1 Submission of budgets
It is recognised that a budget is a plan and that circumstances may necessitate revisions or changes to the original plan from time to time. In view of this, institutions are to submit detailed budgets to the Tennessee Board of Regents for approval three times for each fiscal year. The three submissions are described briefly as follows:

Proposed budget
This is the original budget prepared in the spring that is for the fiscal year to begin July 1. It is normally submitted to the Tennessee Board of Regents for approval at the June Board meeting.

Revised budget
This budget is a revision of the proposed budget and is normally referred to as the “October Revised Budget”. It is prepared as of October 31 after actual fall enrollments and other estimated costs and closing balances are known and is normally submitted to the Tennessee Board of Regents for approval at the December Board meeting.

Spring estimated budget
This budget is the final budget submitted for the current year operations. It is submitted in the spring at the same time as the Proposed Budget for the coming year. This is the final approved budget for the institutions and therefore contains the control totals against which final year-end amounts are compared. It should be noted that the approval of a budget does not waive statutory, policy, or other restrictions for expending funds.

5.2.2 Operating Budgets
Institutional budget control amounts are approved for the major educational and general functional classifications of Instruction, Research, Public Service, Academic Support, Student Services, Institutional Support, Operation and Maintenance of Plant, and Scholarships and Fellowships where applicable. Auxiliary Enterprises are controlled on a profit or break-even basis. Additionally, control amounts are approved for educational and general transfers, both mandatory and nonmandatory. Funds transferred to other funds whether mandatory or non-mandatory are restricted in the other funds for the designated purpose. All discretionary allocations of the fund balance must be approved. Once approved the institution may not exceed those functional control limits established by the Board without prior approval of the Chancellor.

Following are the budget revisions:
Revisions within functional area
Institutions may make budget revisions within a given functional area at the campus level. The revisions should be properly documented and approved by the president or his or her designee, or the technology centre director.
Revisions between functions
Budget revisions from one functional area to another must receive prior approval of the Chancellor if proposed at other than the three regular budget submission times. The request for revision should be submitted by the president in writing with a detailed explanation. The technology centre director must receive the approval of the president of the lead institution prior to submission to the Chancellor.

Revision of overall expenditure total
Budget revisions to one or more educational and general functional areas that increase the overall educational and general budget must receive prior approval of the Chancellor if proposed at other than the three regular submission times. The request for revision should be submitted in accordance with item 2 above and should include the source of funding for the proposed revision.

5.3 Plant Fund Budgets

Unexpended Funds
General: The purpose of the Unexpended Plant Fund is to account for the unexpended resources derived from various sources to finance the acquisition of long-term plant assets and the associated liabilities. These funds will be used for capital projects such as major additions and/or renovations to physical facilities. Institutions may request approval for transfer of funds to the Unexpended Plant Fund from unrestricted current funds during the regular budgetary process or special request to the Chancellor. All funds added or transferred into the Unexpended Plant Fund will be controlled by specific project. Commitments or expenditures for any capital project shall be in conformance with all applicable state laws and requirements of the State Building Commission. All project budget revisions and the utilisation of reallocated project balances shall be approved by the Chancellor or designee.

Extraordinary Maintenance: Within the Unexpended Plant Fund, each institution shall establish an account for extraordinary maintenance to be used for unusual or unanticipated maintenance needs. The annual budget shall include a minimum transfer for extraordinary maintenance as specified in the annual budget instructions of the Chancellor. All projects in the extraordinary maintenance account shall be approved by the Chancellor or designee.

Renewals and Replacements: The resources set aside for renewals and replacements, as distinguished from additions and improvements to plant, are accounted for in this fund group. Guidelines for additions to this fund will be communicated through the annual budget instructions of the Chancellor. Retirement of Indebtedness: The purpose of this fund is to account for the accumulation of resources for interest and principal payments and other debt service charges relating to plant fund indebtedness. Additions to this fund are to be set up in separate debt service accounts. All transfers from debt service accounts must be approved by the Chancellor.

5.4 Guideline and Position Controls

Aside from functional budget control, institutions are required to comply with certain other controls. A schedule of these controls will be distributed with the budget guidelines each year. Position control is a part of the personnel budget process. The number of authorised permanent positions at each institution is controlled within unrestricted education and general accounts and auxiliaries. Controls exist on the total number of positions at the institution and on the classification of those positions (administrative, faculty/academic, professional, clerical! support). Positions are reported to the Board office each year in the proposed and revised budgeting processes, and at additional times as requested by the Board office during the legislative session. Authorised permanent positions for each institution are approved at the June and December Board meetings. Changes may be requested by special request to the Chancellor in the interim between budget periods.

5.5 Legislative controls

Each budget year will normally have unique guidelines and requirements depending on legislative or executive branch requirements. A schedule of these requirements will be prepared each budget cycle. It is the responsibility of the institution to insure that all budget guidelines for a given fiscal year are incorporated into the budget and are carried out operationally.
5.6 Budget control

Each institution shall develop appropriate controls and procedures and insure that established control limits are not exceeded. Summary management reports should be prepared for top level administrators to evaluate the current financial status of the institution.

5.7 Follow-up by Board Staff

At the end of each fiscal year, the Board staff will review the annual financial report of each institution. Actual yearend amounts will be compared to the Spring Estimated Budget or the Spring Estimated Budget as officially revised, which is the final approved budget for the year. Functional expenditure totals will be analyzed for adherence to the approved control levels. The financial information will also be examined for compliance with all budget guidelines and/ or Board policies in effect for the fiscal year just completed. The Chancellor shall report any institutional deficiencies or non-compliance with budget controls and guidelines to the Board.

Many formal methods are used in capital budgeting, including the techniques such as

- Net present value
- Profitability index
- Internal rate of return
- Modified Internal Rate of Return
- Equivalent annuity.

These methods use the incremental cash flows from each potential investment, or project. Techniques based on accounting earnings and accounting rules are sometimes used though economists consider this to be improper such as the accounting rate of return, and “return on investment.” Simplified and hybrid methods are used as well, such as payback period and discounted payback period.

5.8 Net Present Value

Each potential project’s value should be estimated using a discounted cash flow (DCF) valuation, to find its net present value (NPV). This valuation requires estimating the size and timing of all of the incremental cash flows from the project. These future cash flows are then discounted to determine their present value. These present values are then summed, to get the NPV. See also Time value of money. The NPV decision rule is to accept all positive NPV projects in an unconstrained environment, or if projects are mutually exclusive, accept the one with the highest NPV.

The NPV is greatly affected by the discount rate, so selecting the proper rate - sometimes called the hurdle rate - is critical to making the right decision. The hurdle rate is the minimum acceptable return on an investment. It should reflect the riskiness of the investment, typically measured by the volatility of cash flows, and must take into account the financing mix. Managers may use models such as the CAPM or the APT to estimate a discount rate appropriate for each particular project, and use the weighted average cost of capital (WACC) to reflect the financing mix selected.

A common practice in choosing a discount rate for a project is to apply a WACC that applies to the entire firm, but a higher discount rate may be more appropriate when a project’s risk is higher than the risk of the firm as a whole.

5.8.1 Internal Rate of Return

The internal rate of return (IRR) is defined as the discount rate that gives a net present value (NPV) of zero. It is a commonly used measure of investment efficiency. The IRR method will result in the same decision as the NPV method for independent (non-mutually exclusive) projects in an unconstrained environment, in the usual cases where a negative cash flow occurs at the start of the project, followed by all positive cash flows. In most realistic cases, all independent projects that have an IRR higher than the hurdle rate should be accepted. Nevertheless, for mutually exclusive projects, the decision rule of taking the project with the highest IRR - which is often used - may select a project with a lower NPV.
In some cases, several zero NPV discount rates may exist, so there is no unique IRR. The IRR exists and is unique if one or more years of net investment (negative cash flow) are followed by years of net revenues. But if the signs of the cash flows change more than once, there may be several IRRs. The IRR equation generally cannot be solved analytically but only via iterations. One shortcoming of the IRR method is that it is commonly misunderstood to convey the actual annual profitability of an investment. However, this is not the case because intermediate cash flows are almost never reinvested at the project’s IRR; and, therefore, the actual rate of return is almost certainly going to be lower. Accordingly, a measure called Modified Internal Rate of Return (MIRR) is often used.

Despite a strong academic preference for NPV, surveys indicate that executives prefer IRR over NPV, although they should be used in concert. In a budget-constrained environment, efficiency measures should be used to maximise the overall NPV of the firm. Some managers find it intuitively more appealing to evaluate investments in terms of percentage rates of return than dollars of NPV.

5.8.2 Equivalent Annuity Method

The equivalent annuity method expresses the NPV as an annualised cash flow by dividing it by the present value of the annuity factor. It is often used when assessing only the costs of specific projects that have the same cash inflows. In this form it is known as the equivalent annual cost (EAC) method and is the cost per year of owning and operating an asset over its entire lifespan.

It is often used when comparing investment projects of unequal life spans. For example if project A has an expected lifetime of 7 years, and project B has an expected lifetime of 11 years it would be improper to simply compare the net present values (NPVs) of the two projects, unless the projects could not be repeated. The use of the EAC method implies that the project will be replaced by an identical project.

Alternatively the chain method can be used with the NPV method under the assumption that the projects will be replaced with the same cash flows each time. To compare projects of unequal length, say 3 years and 4 years, the projects are chained together, i.e. four repetitions of the 3 year project are comparing to three repetitions of the 4 year project. The chain method and the EAC method give mathematically equivalent answers. The assumption of the same cash flows for each link in the chain is essentially an assumption of zero inflation, so a real interest rate rather than a nominal interest rate is commonly used in the calculations.

5.8.3 Real Options

Real options analysis has become important since the 1970s as option pricing models have gotten more sophisticated. The discounted cash flow methods essentially value projects as if they were risky bonds, with the promised cash flows known. But managers will have many choices of how to increase future cash inflows, or to increase future cash outflows. In other words, managers get to manage the projects - not simply accept or reject them. Real options analyses try to value the choices - the option value - that the managers will have in the future and adds these values to the NPV.

5.9 Ranked Projects

The real value of capital budgeting is to rank projects. Most organisations have many projects that could potentially be financially rewarding. Once it has been determined that a particular project has exceeded its hurdle, then it should be ranked against peer projects (e.g. - highest IRR to lowest IRR). The highest ranking projects should be implemented until the budgeted capital has been expended.

Most people admit to being out of control when it comes to spending and managing their money. They simply do not where the money went at the end of the month. Oftentimes, the money becomes in control of the person instead of the other way around. When this happens, a person continues to spend even when there is no cash to spend, primarily through credit cards. This is why so many people are debt-ridden and struggling financially.

If you are starting to feel like the only reason you are working is to pay the bills and yet your financial obligations never seem to end or at least lessen or you seem to be living from paycheck to paycheck despite a job that gives a
decent pay, then you need some help in budgeting control. You need to know where all the money is going and why there is never enough to save. In budgeting control, the first step is to know how much you need to control - this refers to your income. You know this figure by heart and yet at the end of the month, you have no idea where all of it went. This is where the next step comes in - know you expenses. List them down item by item starting with the necessities such as utility bills, rent, gas money, and etcetera.

Then, in a separate category, you should list down your other payables such as credit card payments, auto payments, insurance and etcetera. In another category, write down all your other expenses, no matter how small. A great way to do this is to collect receipts of all your transactions or spending within a month whether it is a haircut, a movie, a new shirt or your daily Starbucks coffee. Add up all your expenses per category and you will see exactly which spending area takes up most of your earnings every month. Now, you are ready to proceed with the most crucial part of budgeting control - making adjustments. As you will find, the area that will require the most changes is the nonessential spending.

This is where you need to apply the word ‘control’. In other words, limit your spending over things that are not necessary. Notice that the word used is ‘limit’ and not ‘eliminate entirely’. This is because total restriction is not an effective strategy in budgeting control. It will only make you feel as if you are being punished and this will likely reduce your motivation to work on improving your finances. Instead, adopt a balanced approach in budgeting control wherein the necessities remain top priority but you still allow yourself a few indulgences from time to time. Willingness is very important in budgeting control and this will only come if you really understand why you need to control your budget. You would have your own reasons, just focus on them to succeed in keeping your finances well under your control.
Summary

- Budget (from French baguette, purse) generally refers to a list of all planned expenses and revenues.
- A budget is an important concept in microeconomics, which uses a budget line to illustrate the trade-offs between two or more goods.
- Budgeting is the process whereby the plans of an institution are translated into an itemized, authorised, and systematic plan of operation, expressed in dollars, for a given period.
- The real value of capital budgeting is to rank projects. Most organisations have many projects that could potentially be financially rewarding.
- Institutional budget control amounts are approved for the major educational and general functional classifications of Instruction, Research, Public Service, Academic Support, Student Services, Institutional Support, Operation and Maintenance of Plant, and Scholarships and Fellowships where applicable.
- Institutions may make budget revisions within a given functional area at the campus level.
- Each potential project’s value should be estimated using a discounted cash flow (DCF) valuation, to find its net present value (NPV).
- The IRR exists and is unique if one or more years of net investment (negative cash flow) are followed by years of net revenues.
- Real options analysis has become important since the 1970s as option pricing models have gotten more sophisticated. The discounted cash flow methods essentially value projects as if they were risky bonds, with the promised cash flows known.
- The use of the EAC method implies that the project will be replaced by an identical project.
- A common practice in choosing a discount rate for a project is to apply a WACC that applies to the entire firm, but a higher discount rate may be more appropriate when a project’s risk is higher than the risk of the firm as a whole.

References

- Budgeting - Taking Financial Control [Video online] Available at: <https://www.youtube.com/watch?v=ToGeJ9zG8BI> [Accessed 3 June 2013].
- Financial Analysis Budgetary Control [Video online] Available at: <https://www.youtube.com/watch?v=hvC-X0g5Y38> [Accessed 3 June 2013].

Recommended Reading

- Shone, A., Parry, B., Successful Event Management: A Practical Handbook, Cengage Learning EMEA.
Self Assessment

1. A __________ is an important concept in microeconomics, which uses a budget line to illustrate the trade-offs between two or more goods.
   a. event
   b. budget
   c. software
   d. project

2. The ________exists and is unique if one or more years of net investment (negative cash flow) are followed by years of net revenues.
   a. EDC
   b. IPR
   c. IRR
   d. DCF

3. The __________ expresses the NPV as an annualised cash flow by dividing it by the present value of the annuity factor.
   a. equivalent annuity method
   b. equality annual method
   c. equivalent annual method
   d. equally access method

4. __________ is the original budget prepared in the spring that is for the fiscal year to begin July 1.
   a. Equivalent method
   b. Proposed budget
   c. Manual budget
   d. Equality budget

5. __________ are controlled on a profit or break-even basis.
   a. Project enterprises
   b. Private enterprises
   c. Government enterprises
   d. Auxiliary Enterprises

6. The __________ rate is the minimum acceptable return on an investment.
   a. profit
   b. hurdle
   c. earning
   d. loss

7. The use of the __________ method implies that the project will be replaced by an identical project.
   a. EAC
   b. NAV
   c. MAC
   d. IRR

8. Which of the statements is false?
a. The use of the EAC method implies that the project will be replaced by an identical project.

b. Changes may be requested by special request to the Chancellor in the interim between budget periods.

c. The profit rate is the minimum acceptable return on an investment.

d. Each potential project’s value should be estimated using a discounted cash flow (DCF) valuation, to find its net present value (NPV).

9. Which of the following is true?

a. A budget is an important concept in microeconomics, which uses a budget line to illustrate the trade-offs between two or more goods.

b. The NAV exists and is unique if one or more years of net investment (negative cash flow) are followed by years of net revenues.

c. Manual budget is the original budget prepared in the spring that is for the fiscal year to begin July 1.

d. The profit rate is the minimum acceptable return on an investment.

10. ________ is very important in budgeting control and this will only come if you really understand why you need to control your budget.

a. Management

b. Profit

c. Planning

d. Willingness
Chapter VI
Legal Issues and Risk Management

Aim
The aim of this chapter is to:

- explicate the concept of legal issues
- explain the importance of risk management
- elucidate the need for legal issues

Objectives
The objectives of this chapter are to:

- examine the evolution risk management
- analyse the process of risk management strategies
- enlist the benefits of legal issues

Learning outcome
At the end of this chapter, you will be able to:

- define revised identification
- understand the importance of legal steps
- identify the various types of managements in events
6.1 Introduction

A company’s legal department has been traditionally seen as a ‘support’ functionary, supervising regulatory and legal compliance. Regulatory compliance is mostly statutory and binding in nature and companies as legal entities are mandated to comply with them. Legal compliance has hitherto involved supervising legal documentation, fighting off lawsuits, to liaison with outside counsel, etc. However, in the present technology/innovation-driven economy, legal compliance assumes, or ought to assume, a wider brief - that of pre-emptive legal risk management. It is essential for a service provider to know not only his business and how to run it profitably, but also understand the legal impact of his business on clients, upon itself and possibly on consumers at large.

Legal risks do not arise in vacuum, but owe their origin either to business operational loopholes or to subsequent breach of the manner a product or service is offered. Most legal departments within companies are deployed with the purpose of fighting and managing legal risks once they have arisen, meaning, the remedies deployed are often always reactions. Pre-emptive legal risk management, however, would imply taking a proactive role in understanding the nuances of the business, honing the capability to juxtapose the actions/omissions of the business on to a legal sphere, foresee potential legal repercussions of such acts and prepare possible remedies to avoid that risk.

Though there can never be fixed sets of rules on how to devise pre-emptive strategies, the basic principle remains common - the exercise must involve analytical questioning of the impact of the business process on various actors. Sample the following list of questions: Is there a possibility of the business violating some law indirectly or unintentionally though most applicable laws have been complied with? What is the likelihood of the end product or service hurting any legal right of consumers? Is the internal data security measures deployed capable of infringing any employee rights? Is the company’s model of growth in different countries compliant with competition laws of the respective local jurisdictions? Is there a need to lay down standards governing employee client or employee-third party communications so that proprietary or confidential information remains guarded? This list is indicative only and many similar questions may, at times, appear merely speculative, though the importance of answering them cannot be underestimated.

6.2 Risk Management Strategies

An interesting fact is that risk management strategies not only serve their primary purpose, which is to layoff potential risks, but may also act as a vital business development tool. A business that is known to proactively deploy pre-emptive risk management strategies, turn them into standards of daily usable best practices guidelines and incorporate them into the business process would always be very reassuring to customers and clients. For instance, Information Technology Enabled Services (CITES) companies utilising direct marketing techniques in reaching out to target audience through phone, fax or email may face legal impediments owing to privacy laws of countries where target populations live, regardless of equipping themselves with quality technology and highly trained professionals to carry out direct marketing pitches. In this case, a company that foresees such legal impediments evolves a strategy by questioning the potential repercussions of not abiding by privacy laws and then incorporates usable standards or best practices for its employees to follow while making pitches will always have an edge over its competitors in the industry.

6.3 Contribution of Legal Personnel

Given this background, legal managers and corporate counsels have an opportunity to contribute not only to dispute management, but also towards developing the business by plugging loopholes and adding to operational and client assurance. Taking the cue from operations managers who are expected to continuously pre-empt operational loopholes so as not to jeopardise the production rate or client service quality; the time is ripe for legal managers to be aware of the need of assuming similar responsibilities. Also, the value addition in devising such innovative strategies to the skill sets of staff concerned may be substantial, thereby contributing to employee satisfaction. In essence, the idea behind pre-emptive legal risk management is to drive an enterprise on the notion that business has to be conducted not only in a profitable manner, but also in the right manner with all operational, ethical and legal risks being accounted for. In the long run, this could well be the difference between businesses that survive and excel and those that fizzle out despite providing quality services.
6.4 Risk Management Process

Risk management is a structured approach to managing uncertainty related to a threat, through a sequence of human activities including: risk assessment, strategies development to manage it, and mitigation of risk using managerial resources. The strategies include transferring the risk to another party, avoiding the risk, reducing the negative effect of the risk, and accepting some or all of the consequences of a particular risk.

Some traditional risk managements are focused on risks stemming from physical or legal causes (e.g. natural disasters or fires, accidents, death and lawsuits). Financial risk management, on the other hand, focuses on risks that can be managed using traded financial instruments. The objective of risk management is to reduce different risks related to a preselected domain to the level accepted by society. It may refer to numerous types of threats caused by environment, technology, humans, organisations and politics. On the other hand it involves all means available for humans, or in particular, for a risk management entity (person, staff, organisation).

Some Explanations

In ideal risk management, a prioritisation process is followed whereby the risks with the greatest loss and the greatest probability of occurring are handled first, and risks with lower probability of occurrence and lower loss are handled in descending order. In practice the process can be very difficult, and balancing between risks with a high probability of occurrence but lower loss versus a risk with high loss but lower probability of occurrence can often be mishandled.

Intangible risk management identifies a new type of risk - a risk that has a 100% probability of occurring but is ignored by the organisation due to a lack of identification ability. For example, when deficient knowledge is applied to a situation, a knowledge risk materialises. Relationship risk appears when ineffective collaboration occurs. Process-engagement risk may be an issue when ineffective operational procedures are applied. These risks directly reduce the productivity of knowledge workers, decrease cost effectiveness, profitability, service, quality, reputation, brand value, and earnings quality. Intangible risk management allows risk management to create immediate value from the identification and reduction of risks that reduce productivity.

Risk management also faces difficulties allocating resources. This is the idea of opportunity cost. Resources spent on risk management could have been spent on more profitable activities. Again, ideal risk management minimises spending while maximising the reduction of the negative effects of risks.

Following are steps in the risk management process

Establish the Context

- Identification of risk in a selected domain of interest
- Planning the remainder of the process.
- Mapping out the following: -
  - The social scope of risk management –
  - The identity and objectives of stakeholders –
  - The basis upon which risks will be evaluated, constraints.
- Defining a framework for the activity and an agenda for identification.
- Developing an analysis of risks involved in the process.
- Mitigation of risks using available technological, human and organisational resources.
Identification
After establishing the context, the next step in the process of managing risk is to identify potential risks. Risks are about events that, when triggered, cause problems. Hence, risk identification can start with the source of problems, or with the problem itself.

- Source analysis Risk sources may be internal or external to the system that is the target of risk management. Examples of risk sources are: stakeholders of a project, employees of a company or the weather over an airport.
- Problem analysis Risks are related to identified threats. For example: the threat of losing money, the threat of abuse of privacy information or the threat of accidents and casualties. The threats may exist with various entities, most important with shareholders, customers and legislative bodies such as the government.

When either source or problem is known, the events that a source may trigger or the event that can lead to a problem can be investigated. For example: stakeholders withdrawing during a project may endanger funding of the project; privacy information may be stolen by employees even within a closed network; lightning striking a Boeing 747 during takeoff may make all people onboard immediate casualties.

The chosen method of identifying risks may depend on culture, industry practice and compliance. The identification methods are formed by templates or the development of templates for identifying source, problem or event. Common risk identification methods are:

- Objectives-based risk identification Organisations and project teams have objectives. Any event that may endanger achieving an objective partly or completely is identified as risk. Objective-based risk identification is at the basis of COSO’s Enterprise Risk Management - Integrated Framework
- Scenario-based risk identification in scenario analysis different scenarios are created. The scenarios may be the alternative ways to achieve an objective, or an analysis of the interaction of forces in, for example, a market or battle. Any event that triggers an undesired scenario alternative is identified as risk - see Futures Studies for methodology used by Futurists.
- Taxonomy-based risk identification the taxonomy in taxonomy-based risk identification is a breakdown of possible risk sources. Based on the taxonomy and knowledge of best practices, a questionnaire is compiled. The answers to the questions reveal risks. Taxonomy-based risk identification in software industry can be found in CMU/SEI-93-TR-6.
- Common-risk Checking In several industries lists with known risks are available. Each risk in the list can be checked for application to a particular situation.
- Risk Charting This method combines the above approaches by listing Resources at risk, Threats to those resources Modifying Factors which may increase or reduce the risk and Consequences it is wished to avoid. Creating a matrix under these headings enables a variety of approaches. One can begin with resources and consider the threats they are exposed to and the consequences of each. Alternatively one can start with the threats and examine which resources they would affect, or one can begin with the consequences and determine which combination of threats and resources would be involved to bring them about.

Assessment
Once risks have been identified, they must then be assessed as to their potential severity of loss and to the probability of occurrence. These quantities can be either simple to measure, in the case of the value of a lost building, or impossible to know for sure in the case of the probability of an unlikely event occurring. Therefore, in the assessment process it is critical to make the best educated guesses possible in order to properly prioritise the implementation of the risk management plan.
The fundamental difficulty in risk assessment is determining the rate of occurrence since statistical information is not available on all kinds of past incidents. Furthermore, evaluating the severity of the consequences (impact) is often quite difficult for immaterial assets. Asset valuation is another question that needs to be addressed. Thus, best educated opinions and available statistics are the primary sources of information. Nevertheless, risk assessment should produce such information for the management of the organisation that the primary risks are easy to understand and that the risk management decisions may be prioritised. Thus, there have been several theories and attempts to quantify risks. Numerous different risk formulae exist, but perhaps the most widely accepted formula for risk quantification is:

**Rate of occurrence multiplied by the impact of the event equals risk**

Later research has shown that the financial benefits of risk management are less dependent on the formula used but are more dependent on the frequency and how risk assessment is performed. In business it is imperative to be able to present the findings of risk assessments in financial terms. Robert Courtney Jr. proposed a formula for presenting risks in financial terms. The Courtney formula was accepted as the official risk analysis method for the US governmental agencies. The formula proposes calculation of ALE (annualised loss expectancy) and compares the expected loss value to the security control implementation costs (cost benefit analysis).

### 6.5 Potential Risk Treatments

Once risks have been identified and assessed, all techniques to manage the risk fall into one or more of these four major categories: Ideal use of these strategies may not be possible. Some of them may involve trade-offs that are not acceptable to the organisation or person making the risk management decisions. Another source, from the US Department of Defense, Defense Acquisition University, calls these categories ACAT, for a void, Control, Accept, or Transfer. This use of the ACAT acronym is reminiscent of another ACAT (for Acquisition Category) used in US Defense industry procurements, in which Risk Management figures prominently in decision making and planning.

**Risk Avoidance**

Includes not performing an activity that could carry risk. An example would be not buying a property or business in order to not take on the liability that comes with it. Another would be not flying in order to not take the risk that the airplane was to be hijacked. A voidance may seem the answer to all risks, but avoiding risks also means losing out on the potential gain that accepting (retaining) the risk may have allowed. Not entering a business to avoid the risk of loss also avoids the possibility of earning profits.

**Risk Reduction**

Involves methods that reduce the severity of the loss or the likelihood of the loss from occurring. Examples include sprinklers designed to put out a fire to reduce the risk of loss by fire. This method may cause a greater loss by water damage and therefore may not be suitable. Halon fire suppression systems may mitigate that risk, but the cost may be prohibitive as a strategy.

Modern software development methodologies reduce risk by developing and delivering software incrementally. Early methodologies suffered from the fact that they only delivered software in the final phase of development; any problems encountered in earlier phases meant costly rework and often jeopardized the whole project.

By developing in iterations, software projects can limit effort wasted to a single iteration. Outsourcing could be an example of risk reduction if the outsourcer can demonstrate higher capability at managing or reducing risks. In this case companies outsource only some of their departmental needs. For example, a company may outsource only its software development, the manufacturing of hard goods, or customer support needs to another company, while handling the business management itself. This way, the company can concentrate more on business development without having to worry as much about the manufacturing process, managing the development team, or finding a physical location for a call centre.
**Risk Retention**
Involves accepting the loss when it occurs. True self insurance falls in this category. Risk retention is a viable strategy for small risks where the cost of insuring against the risk would be greater over time than the total losses sustained. All risks that are not avoided or transferred are retained by default. This includes risks that are so large or catastrophic that they either cannot be insured against or the premiums would be infeasible. War is an example since most property and risks are not insured against war, so the loss attributed by war is retained by the insured. Also any amounts of potential loss (risk) over the amount insured are retained risk. This may also be acceptable if the chance of a very large loss is small or if the cost to insure for greater coverage amounts is so great it would hinder the goals of the organisation too much.

**Risk Transfer**
Means causing another party to accept the risk, typically by contract or by hedging. Insurance is one type of risk transfer that uses contracts. Other times it may involve contract language that transfers a risk to another party without the payment of an insurance premium. Liability among construction or other contractors is very often transferred this way.

On the other hand, taking offsetting positions in derivatives is typically how firms use hedging to financially manage risk. Some ways of managing risk fall into multiple categories. Risk retention pools are technically retaining the risk for the group, but spreading it over the whole group involves transfer among individual members of the group. This is different from traditional insurance, in that no premium is exchanged between members of the group up front, but instead losses are assessed to all members of the group.

### 6.6 Create a Risk Management Plan

Select appropriate controls or countermeasures to measure each risk. Risk mitigation needs to be approved by the appropriate level of management. For example, a risk concerning the image of the organisation should have top management decision behind it whereas IT management would have the authority to decide on computer virus risks. The risk management plan should propose applicable and effective security controls for managing the risks. For example, an observed high risk of computer viruses could be mitigated by acquiring and implementing antivirus software. A good risk management plan should contain a schedule for control implementation and responsible persons for those actions.

According to ISO/IEC 27001, the stage immediately after completion of the Risk Assessment phase consists of preparing a Risk Treatment Plan, which should document the decisions about how each of the identified risks should be handled. Mitigation of risks often means selection of Security Controls, which should be documented in a Statement of Applicability, which identifies which particular control objectives and controls from the standard have been selected, and why.

**Implementation**

Follow all of the planned methods for mitigating the effect of the risks. Purchase insurance policies for the risks that have been decided to be transferred to an insurer, avoid all risks that can be avoided without sacrificing the entity’s goals, reduce others, and retain the rest.

**Review and evaluation of the plan**

Initial risk management plans will never be perfect. Practice, experience, and actual loss results will necessitate changes in the plan and contribute information to allow possible different decisions to be made in dealing with the risks being faced. Risk analysis results and management plans should be updated periodically. There are two primary reasons for this:

- To evaluate whether the previously selected security controls are still applicable and effective, and
- To evaluate the possible risk level changes in the business environment. For example, information risks are a good example of rapidly changing business environment.
Limitations
If risks are improperly assessed and prioritised, time can be wasted in dealing with risk of losses that are not likely to occur. Spending too much time assessing and managing unlikely risks can divert resources that could be used more profitably. Unlikely events do occur but if the risk is unlikely enough to occur it may be better to simply retain the risk and deal with the result if the loss does in fact occur.

Prioritising too highly the risk management processes could keep an organisation from ever completing a project or even getting started. This is especially true if other work is suspended until the risk management process is considered complete. It is also important to keep in mind the distinction between risk and uncertainty. Risk can be measured by impacts x probability. Areas of Risk Management As applied to corporate finance, risk management is the technique for measuring, monitoring and controlling the financial or operational risk on a firm’s balance sheet. See value at risk. The Basel II framework breaks risks into market risk (price risk), credit risk and operational risk and also specifies methods for calculating capital requirements for each of these components.

Enterprise Risk management
In enterprise risk management, a risk is defined as a possible event or circumstance that can have negative influences on the enterprise in question. Its impact can be on the very existence, the resources (human and capital), the products and services, or the customers of the enterprise, as well as external impacts on society, markets, or the environment. In a financial institution, enterprise risk management is normally thought of as the combination of credit risk, interest rate risk or asset liability management, market risk, and operational risk.

In the more general case, every probable risk can have a reformulated plan to deal with its possible consequences (to ensure contingency if the risk becomes a liability).

From the information above and the average cost per employee over time, or cost accrual ratio, a project manager can estimate:
- The cost associated with the risk if it arises, estimated by multiplying employee costs per unit time by the estimated time lost (cost impact, C where C = cost accrual ratio).
- The probably increase in time associated with a risk
  - Sorting on this value puts the highest risks to the schedule first. This is intended to cause the greatest risks to the project to be attempted first so that risk is minimised as quickly as possible.
  - This is slightly misleading as schedule variances with a large P and small S and vice versa is not equivalent. (The risk of the RMS Titanic sinking vs. the passengers’ meals being served at slightly the wrong time).
- The probable increase in cost associated with a risk
  - Sorting on this value puts the highest risks to the budget first.
  - See concerns about schedule variance as this is a function of it, as illustrated in the equation above.

Risk in a project or process can be due either to Special Cause Variation or Common Cause Variation and requires appropriate treatment. That is to re-iterate the concern about extremal cases not being equivalent in the list immediately above.

6.7 Risk management activities as applied to project management
In project management, risk management includes the following activities:
- Planning how risk management will be held in the particular project. Plan should include risk management tasks, responsibilities, activities and budget.
- Assigning a Risk Officer a team member other than a project manager who is responsible for foreseeing potential project problems. Typical characteristic of risk officer is a healthy skepticism.
- Maintaining live project risk database. Each risk should have the following attributes: opening date, title, short description, probability and importance. Optionally a risk may have an assigned person responsible for its resolution and a date by which the risk must be resolved.
• Creating anonymous risk reporting channel. Each team member should have possibility to report risk that he foresees in the project.
• Preparing mitigation plans for risks that are chosen to be mitigated. The purpose of the mitigation plan is to describe how this particular risk will be handled - what, when, by who and how will it be done to avoid it or minimise consequences if it becomes a liability.
• Summarising planned and faced risk, effectiveness of migration activities and effort spent for the risk management.

6.8 Risk Management and Business Continuity

Risk management is simply a practice of systematically selecting cost effective approaches for minimising the effect of threat realisation to the organisation. All risks can never be fully avoided or mitigated simply because of financial and practical limitations. Therefore all organisations have to accept some level of residual risks.

Whereas risk management tends to be preemptive, business continuity planning (BCP) was invented to deal with the consequences of realised residual risks. The necessity to have BCP in place arises because even very unlikely events will occur if given enough time. Risk management and BCP are often mistakenly seen as rivals or overlapping practices. In fact these processes are so tightly tied together that such separation seems artificial.

For example, the risk management process creates important inputs for the BCP (assets, impact assessments, cost estimates etc). Risk management also proposes applicable controls for the observed risks. Therefore, risk management covers several areas that are vital for the BCP process. However, the BCP process goes beyond risk management’s preemptive approach and moves on from the assumption that the disaster will realise at some point.

6.9 Legal Issues

Marketing contracts
Marketing contracts are between a contractor (usually a processor, food manufacturer or retail firm) and a grower. They set a price (or price establishment mechanism) and the market outlet for the commodity before harvest or before the commodity is ready to be marketed. Most management decisions remain with the grower, who retains ownership while the commodity is being produced. The farmer or rancher assumes all risks of production, but shares price risk with the contracting firm. Marketing contracts can take many forms, but most commonly are structured as:
• Forward sales of a growing crop, where the contract provides for later delivery and establishes a price or contains provisions for setting a price later,
• Price setting after delivery, based on a formula that considers grade and yield, or
• Pre-harvest pooling arrangements, where the payment amount received is determined by the net pool receipts for the quantity sold.

Production contracts
Production contracts specify the quality and quantity of production inputs to be supplied by the contracting firm (processor, feed mill, or other farm operation), the quality and quantity of a particular commodity to be produced, and the type of compensation that the grower (contractee) will receive for services rendered. Because contractors control the amount produced and the production practices used, they tend to exert more influence over the terms of the contracts. One advantage of production contracts is that the farmer and contractor share the risks of both production and marketing of the commodity. Another advantage is that financing is more readily available because funds may be obtained either directly from the contractor or indirectly through other lenders who are more assured of loan repayment. There are disadvantages to production contracts from both a contractor’s and grower’s perspective.

Contractors who choose inefficient producers may lose a substantial amount of money before the problem is corrected. Growers may find it difficult to save enough money from the fixed payment to build their own facilities or purchase equipment. Thus, the potential for contract growers to move into independent ownership is somewhat limited. Another potential problem from the grower’s perspective is contract length. Contract length may be substantially shorter than the time it takes to pay for the facilities or equipment. If this is the case, producers need to think about
how they will pay for the facilities or equipment if the contract is terminated. Before considering the details of a contract, both parties should consider the reputation of the other party involved. Some contracts are not easily broken. Market-specific production contracts are those negotiated between a buyer who operates at one stage of the value chain and a seller who operates at another.

For example, a farmer may agree to deliver an agreed upon quantity of animals to a packer on a specific date. Increasingly, fresh vegetable packers/shippers are negotiating market-specific contracts with wholesale produce distributors. A buyer in such a contract benefits mainly because delivery schedules are specified. A vegetable freezer, for example, receives uniform vegetables on a consistent basis (time period), which may help to lower processing costs. The buyer, in a sense, purchases control over deliveries by reducing the seller’s risk of finding a market. The farmer usually receives premiums above a spot market price. The market-specific contract usually transfers minimal control across stages, but consumers may benefit because price variability is reduced.

Production-management contracts typically transfer more control and risk across stages of the value chain than market-specific contracts. Production-management contracts typically emerge when decisions by the seller directly affect an attribute considered valuable to the buyer, or vice versa. In these contracts, buyers gain additional control over decisions that were once made by sellers in open production, such as timing of planting schedules or variety of seed planted.

By assuming control beyond that assumed in a market specific contract, the contractor takes on some of the producer’s price risk. In the case of processed vegetables, for example, the processor might enter into a production-management contract to “extend” the processing and growing season beyond the “typical” season. Production management contracts probably benefit consumers by reducing price variability for a variety of products. Resource-providing contracts can be thought of as production-management contracts in which the contractor, at one stage of production, retains ownership of a key input as it is transferred to another stage.

For example, a poultry processor retains ownership of the chicks as they are raised by a farmer. Resource providing contracts are usually used when specialised inputs and management practices are required to incorporate certain desired attributes into the final product. It is the ownership aspect that motivates a contracting firm to manage the practices of another stage of production.

For example, by using hybrid pigs and specialised management practices during the growing stage, certain hog producers are able to produce hogs with less visible fat. Resource-providing contracts usually offer contracting firms the most control over another stage without completely integrating the stage. The contractor effectively purchases this control from the seller by taking on the seller’s market risk. For example, recent analysis suggests that resource-providing contracts in the poultry industry relieve the grower of significant price risk.

Farmers themselves can be contractors. One farmer will often contract with another farmer to complete a stage of production, particularly in the raising of livestock and nursery-related products. The farmer, as contractor, can then specialise in one of the stages of production, and pay another producer to either provide young animals/plants or finish the production cycle. Contracts between farmers are legally binding, just as they are between a farmer and a processor.

### 6.11 Contracting in the Broiler Industry

Specific terms of broiler contracts vary from company to company, with most contracts specifying the provision of inputs and the compensation to farmers. The farmer usually provides land and housing facilities, labour, and other operating expenses such as repairs and maintenance, manure disposal, and chicken house cleaning. The processor/contractor provides chicks, feed, veterinary supplies, management services, and transportation. Expenses for fuel and litter disposal can be shared or paid by either party, depending on the specifications of the contract. Contractors usually own and operate hatcheries, feed mills, and/or processing facilities. In some cases, the contractor may elect to pay for insurance and may provide financing to the farmer for capital purchases.

The contractor also makes the most significant production decisions, such as the size and rotation of flocks,
genetic characteristics of the birds, specific feed ingredients, and the capacity of the chicken house. By doing so, the contractor can ensure broilers of uniform size and quality that are more easily processed, thereby enhancing processing efficiency and lowering costs. A more uniform product is highly desired by consumers. Broiler contracts usually provide three types of compensation for growers:

- The base payment;
- An incentive or performance payment; and
- Terms for any disaster payments. The base payment is simply a fixed payment per pound of live meat produced.

The incentive payment is a percentage of the difference between average settlement costs of all flocks contracted during a specific period and costs associated with an individual grower. If, however, an individual grower’s cost per pound of live meat produced is above the average cost per pound for the pool of growers, that grower is penalised. Outliers (extreme costs per pound of live animal produced) are typically removed from the average costs per pound calculation so that when one grower performs poorly, lowering the average, other growers are not rewarded. Contractors also use several methods to calculate incentive payments. However, the overriding objective is to provide growers with enough incentive to manage the poultry enterprise in a way that maximises net returns to contractors. Finally, there are often provisions to compensate the grower in case of natural disaster (such as a flood or fire) for the amount of potential production that was damaged or lost.
Summary

- A company’s legal department has been traditionally seen as a ‘support’ functionary, supervising regulatory and legal compliance.
- In enterprise risk management, a risk is defined as a possible event or circumstance that can have negative influences on the enterprise in question.
- Risk analysis results and management plans should be updated periodically.
- The incentive payment is a percentage of the difference between average settlement costs of all flocks contracted during a specific period and costs associated with an individual grower.
- The contractor typically bears the costs associated with feed, medication, transportation in and out, feeder pigs for finishing contracts, and breeding stock for feeder pig production contracts.
- Production-management contracts typically transfer more control and risk across stages of the value chain than market-specific contracts.
- The fundamental difficulty in risk assessment is determining the rate of occurrence since statistical information is not available on all kinds of past incidents.
- This use of the ACAT acronym is reminiscent of another ACAT (for Acquisition Category) used in US Defense industry procurements, in which Risk Management figures prominently in decision making and planning.
- The contractor also makes the most significant production decisions, such as the size and rotation of flocks, genetic characteristics of the birds, specific feed ingredients, and the capacity of the chicken house.
- Given this background, legal managers and corporate counsels have an opportunity to contribute not only to dispute management, but also towards developing the business by plugging loopholes and adding to operational and client assurance.
- Most legal departments within companies are deployed with the purpose of fighting and managing legal risks once they have arisen, meaning, the remedies deployed are often always reactions.

References

- Hiring, Managing and Terminating Employees and Volunteers [Video online] Available at: <http://www.youtube.com/watch?v=GAQLpz0l0VQ> [Accessed 14 June 2013].

Recommended Reading

Self Assessment

1. _______ also use several methods to calculate incentive payments.
   a. Managers
   b. Contractors
   c. Employees
   d. Distributer

2. _______ compliance has hitherto involved supervising legal documentation, fighting off lawsuits, to liaison with outside counsel.
   a. Legal
   b. Event
   c. Management
   d. Production

3. _______ risk may be an issue when ineffective operational procedures are applied.
   a. Production
   b. Management
   c. Process-engagement
   d. Fundamental programming

4. The _______ formula was accepted as the official risk analysis method for the US governmental agencies.
   a. Courtney
   b. Legal
   c. Management
   d. Initiative

5. The _______ difficulty in risk assessment is determining the rate of occurrence since statistical information is not available on all kinds of past incidents.
   a. Management
   b. Programming
   c. Bonus
   d. Fundamental

6. Which of the following statements is true?
   a. Contractors never use several methods to calculate incentive payments.
   b. Production Management risk may be an issue when ineffective operational procedures are applied.
   c. A company’s legal department has been traditionally seen as a ‘support’ functionary, supervising regulatory and legal compliance.
   d. In enterprise risk management, a risk is not defined as a possible event or circumstance that can have negative influences on the enterprise in question.
7. ________ are about events that, when triggered, cause problems.
   a. Risks
   b. Legal issues
   c. Event
   d. Programmers

8. ________ are commonly paid if feed conversion and death loss are kept lower than a pre-arranged standard.
   a. Penalty
   b. Chargers
   c. Risks
   d. Bonuses

9. ________ may be incurred if death loss is higher than a prearranged standard.
   a. Chargers
   b. Penalties
   c. Event
   d. Bonus

10. ________ may find it difficult to save enough money from the fixed payment to build their own facilities or purchase equipment.
    a. Managers
    b. Programmers
    c. Growers
    d. Organisers
Chapter VII

Event Logistics

Aim

The aim of this chapter is to:

- explicate the concept of events
- explain the importance of events logistics
- elucidate the need for event logistics

Objectives

The objectives of this chapter are to:

- examine the evolution of events
- analyse the process of various events
- enlist the benefits of logistics

Learning outcome

At the end of this chapter, you will be able to:

- define logistics
- understand the importance of event logistics
- identify the various types events management
7.1 Introduction

There is some similarity in the logistics for any event, no matter what the size, i.e. joining instructions, reception, badges, refreshments and lunch. However, the differences between smaller events (up to around 50 people) and larger events are the amount of planning and attention to detail that needs to take place. The only way to approach logistics for any event is from a participant focus. Once you start thinking of processes that make logistics easier - but more difficult for the participant - you're lost! And logistics, facilitation and event design go hand in hand - you cannot do one in isolation of the other. Once the initial idea has been voiced about holding an event then the planning process starts. Questions at this stage will be: Date, Venue, Numbers, Costs Constraints, & Who is going to manage logistics?

7.2 The Design Process

Events are designed using a group of people from across the system - referred to as a Design Team. There are specific needs for this meeting, i.e., room, flip charts, refreshments. As logistics manager it’s important that you attend the design meetings to: 1. Hear the discussions around the event and the processes. Understanding the design team rationale for the decisions they make and the options they decide against will enable the logistics manager to fully understand the needs of the group, alternatives to avoid or other, more creative options if things do not run exactly to plan. 2. Give input on any logistics issues that you are aware of at this time.

Design Team members may have limited experience of how participative events are organised, some or no knowledge of the venue, location, etc. Essentially they do not know what they do not know about the complexity of logistics. There may be creative options that you can offer when they are considering the design specifics. 3. Be part of the event delivery team. Decisions are often required in real time to overcome unforeseen problems or emerging issues. Logistics Managers and Facilitators alike may become aware of changes and need to be constantly updating each other about changes to plans or simply letting each other know about emerging issues so that options can be considered. The Design Team will help with some questions - and there are times when you just need to make the decision. Once the Design Team is over, then the logistics work starts in earnest.

Date
Has the date been agreed? flexibility? Is it fixed? Is there any

Venue
Where is the venue? What’s the most appropriate venue given the location of participants, accessibility, numbers and cost constraints? Who can help you find the venue i.e. a venue finding company? Are you able to say what your requirements are in terms of the venue i.e. number of breakout rooms?

Invitation
What does the invitation look like? What does the invitation need to say at this stage? Will you be sending more than one invitation/set of joining instructions (including map, parking, etc.)? What is the process for participants letting you know they are attending? Who am I sending the invitation to (list)?

7.3 Event Planning

What processes have been designed and what equipment is needed to support the processes? What will the event packs look like? Is there an event logo/title? How many flipcharts are required? Does the venue have an AV system or do you need to hire one in? How many microphones are needed?

Support
Who will support logistics on the day - how many stewards are needed? Where are the stewards coming from, and how and when will you brief them on the design of the day?
**Event planning**
When planning any event try to imagine the questions one person may have: What transport should I use? Is there parking? How far is the walk from the station to the venue? What’s the latest time I can arrive so I don’t miss the start? What is the earliest time can I get away? Can they cater for my diet and how do I let them know? Is there a creche? How can I be contacted on the day? Now multiply these by the number of participants attending. The more participants, the more questions they will ask. Ensure you have a process in place for responding to these questions right from the outset. This will help put people at ease even before they arrive. Invitations and joining instructions should aim to answer most of the above questions.

**Tip**
You can’t repeat the joining instructions often enough.

**The venue**
There are some specifics you can work with at the outset. When looking for a venue: Room size - preferable with no pillars. Natural light in the room (essential for meetings lasting more than one day). Full accessibility, comfortable chairs, reception area. Additional space for lunch/refreshments. Availability the day/evening prior for set-up. Posting space for flipcharts/graphics. Depending on the event you may need bedrooms.

**Room size**
The room needs to be sufficiently large enough to hold circular tables which have 8 participants at them plus room to have a flipchart beside each table - not too close so as to be dangerous with people tripping up. (Consider if people have access difficulties, i.e. in a wheelchair). The size to aim for is about 20 sq. ft per person. If your event is for 150 people you need a room 330 sq. feet - roughly 25 feet x 13 feet. If the venue seats 150 for a banquet it will only seat about 80 to 90 for a large-scale participative meeting. Try for a room that seats at least double your number of participants - it is better to have too much room than not enough. This style of working is new for many venues and you may find venue managers will promise you the room seats up to 150 people - so be explicit with the details. Pillars are a problem and only a very few occasions can they be used to an advantage. Some venues have a balcony and the pillars support the balcony. You can use the space behind the pillars for posting and leave the body of the room for the event. Otherwise avoid venues with pillars. The only exception would be if you have that much space that you can position the tables so that each table has an unobstructed view of the facilitation team.

**Room layout**
Orientate the room so that the side or longest wall becomes the ‘front’. Leave space around the edge of the room for people to walk along and have a look at the flip charts that are on the walls and to be able to get coffee etc. Another option is to have the dais (stage) in the middle. This does not work well if you have a long, narrow room. You also need loud speakers that can be amplified across the whole of the room and it is difficult to use a lectern. ‘To scale’ plans are fiddly and essential. Remember that beside each table you will need a flipchart and if you are going to have sufficient space for people to walk through the tables, then layout planning is vital. If possible have the refreshments at the side or back of the room. This allows participants to take responsibility for their own needs whilst staying connected with the work of the tables.

One thing to consider though is how and when the venue will replenish clean cups etc. without disturbing participants. The last thing you want is a speaker ‘drowned out’ by coffee cups rattling.

**Tables**
For 8 people we use 5 round tables and for 10 people we would use 6 round tables. Six feet round tables for groups of 8 people make the conversations more difficult. Each table will need some basic stationery, i.e. paper, pencils and a table number. The number needs to be easily seen visible on both sides. Use colors and shapes if tables are sharing their work or if groups are sharing microphones. It is helpful to have a tray on each table - the type you have for ‘in’ trays on your desk at work.
Some of the handouts will be in the trays as people arrive and some will be placed in there throughout the day. This builds a ‘working atmosphere’ as well as supporting ongoing delivery of handouts and materials and keeping the tables tidy. Each table requires a flipchart and a minimum of a couple of dark markers (blue or black). Also order a couple of flipcharts for up front. Flipcharts can be hired, usually along with any AV equipment.

### 7.4 Audio Visual Equipment (microphones)

For larger meetings it is essential to have a good AV System. It can seem an unnecessary expense but we would always recommend having the equipment delivered on setup day and doing a full rehearsal with the sound technician. Give the technician a copy of the plan for the day and practice the feedback using all of the stewards. Walk around every corner of the room speaking into all of the microphones. Note any points where feedback through the AV System occurs and ensure all stewards, facilitators and speakers are briefed well.

**Tip**

AV companies promise the earth, and deliver little! Spare no expense to have the right system and the right technician.

**Reception**

There needs to be a space identified to deal with reception. This will be handing out any type of registration pack/folder that may include things like the agenda, pointing people in the direction of coffee, toilets, cloakroom etc. You may want to include at the registration point a ‘head count’ for health and safety reasons. For larger events, alphabetical registration can speed up the process.

**Tip**

First name only on badges makes registration very difficult. As a minimum have first and surname on the badge or pack.

**Refreshments**

Refreshments need to be ‘on tap’ all day - that means coffee and tea available at all times, not just official breaks. This allows participants to self-manage their work. Consider where refreshments are in relation to the main meeting. Having it at the side of the main room allows people to take responsibility for them and they can still hear and see what is going on in the room. Having it in another side room can sometimes stop people getting up for a drink or to stretch their legs, as they don’t want to miss what is being said. This is something you need to discuss with your venue. Use of good quality disposable cups will cut down on noise and the clearing away process if refreshments are served in the main room. Table water - jugs of tap water are cheap although some venues will charge for hiring the jugs. Check how much venues charge for bottled water, as it can be extortionate. Some venues will even charge corkage if you bring your own water.

**Lunch**

The main criterion for lunch is that is has to be served quickly. If there are 150 people at your meeting, and they have 45 minutes for lunch, the venue must guarantee that everyone will be served in a maximum of 5 to 10 minutes. This may mean having several serving points. Allocate tables to serving points to ensure a smooth flow of people, i.e. tables 1 to 6 at point A, tables 7 to 12 at point B etc. Don’t forget you can use both sides of the serving tables. Coffee after lunch - serve this back in the main room. This can cut down on time as it encourages people to return to the main room and helps facilitate the afternoon starting on time.

**Tip**

Cutting down on the number of items on the menu reduces time - the more choice, the longer the queue. Up to about 6 items is manageable, after that expect longer queues.
7.5 Logistics Hq

This sounds a grand title for a desk or area where all logistics are co-ordinate from. This is where:

- Handouts that are not in the packs at the start of the day will be counted for distribution to tables.
- Spare paper, pencils, bluetac etc. will be kept.
- Messages can be left.
- Stewards get instructions from and report back to.
- Consultants liaise with logistics over any changes to the process.
- Visitors are greeted.
- A central liaison point for the venue.

Even for very small events, you need somewhere for this to be located. Ideally it needs to be in the rear corner of the room or at the very least next door and be manned by someone who is a stickler for detail but at the same time flexible enough to respond to change when the situation needs to.

7.6 Stewards

Stewards have a variety of duties which include looking after the tables; ensuring handouts are given out either on cue or during breaks, help to get flipcharts to the tables, posting flipcharts onto walls, reception duties, looking after microphones and many more. The formula we use for large events is a logistics manager, one ‘table’ steward to every 5 or 6 tables, a logistics HQ steward and one to look after the venue. This assumes that table stewards double up as microphone stewards. If you have the luxury of plenty of stewards and you are using this as a learning experience (so that stewards can run their own events) then allocate separate table and microphone steward roles.

Stewards must be briefed on the design. We recommend holding a briefing session the afternoon or evening prior to the event. Do not do this too far in advance of the event, as there may be changes to the programme.

Be totally participant focused. Always be aware of where we are in the programme for the day. Understand the implications if we are running late on refreshments, lunch and other processes for later in the day. Listen to the facilitation input, especially the timings for pieces of work. Help tables do good work - be around their group of tables to answer questions or obtain any additional equipment. Report back quickly to the facilitation team if tables are struggling/don’t understand the process. Interfere with the group’s work, e.g. checking that the group is following the written instructions; that they have written on flip charts; that they have shared the “correct information”. Leave the area they are caring for without letting colleagues know - working in pairs or teaming around groups of tables helps avoid this and enables the stewards to take breaks. Tear down groups work or begin clearing up until the design or logistics manager indicates that the time is right. Participants often need materials produced earlier in the event to use as resources later on. Equipment this is a preliminary list some of the equipment you may need to consider:

- Flipchart easel for each table plus 2 or 3 for the front. Unless your organisation has plenty, hire these from the company supplying the AV equipment.
- Flipchart paper - one pad per easel.
- Marker pens (water based) - 2 or 3 per table (minimum black t and blue). Some people prefer chisel type nibs although there is no hard and fast rule about this. Tip Dry white markers run out very quickly if used on flipchart paper. Bluetac, masking tape or Scotch Magic Tape for putting up the flipchart output. (If using an external venue, check with them whether they will allow you to use tape or bluetac. If necessary, take the tape to the venue to show them that it won’t destroy the wall. Plain plaster walls that have been painted look good - watch out for the paint peeling off when removing the tape!) Post-it® Notes - minimum size of 3"x5". These can be divided into a half or a third of a pad per person. Name tags/badges. Use badges that both clip and pin on, or, as a cheaper alternative, use badges that both clip and pin on, or, as a cheaper alternative, use sticky labels.

Event pack

To contain the handouts and any materials for the day. Avoid packs that have Velcro fastenings or zips. They make too much noise when opening them.

- Floor plan of the tables with table numbers. This is required for both participants and steward/ facilitation team.
• Table plan for allocating participants to the tables (probably alphabetical).
• You sometimes need different configurations of participant lists - by alphabet, by geographical location, by work unit.
• Event folder/pack. If you are not using tables at the event, consider purchasing packs that have a hard surface that enable participants to lean on to make notes during the day.
• Spare paper for tables and spare cards for ad hoc signs. Pencil or pen per participant.
• Stewards and the facilitation team use lots of pens! They usually put them down and lose them or hand them to participants - have plenty of spares.
• Sufficient paper for handouts and paper clips. One thing to consider is when you will have access to the room to layout the tables etc. especially if you need to be ready to start first thing in the morning. As a minimum you would need access from the afternoon before but preferably all day before. This allows time to brief the stewards at the venue, layout the tables, make sure the tables, microphones, registration desks etc. are all ready and allows the stewards time to familiarise themselves with the venue, i.e. location of toilets, cloakroom, refreshments etc.

This time is always taken up with last minute venue liaison issues and disappears extremely quickly. Costs vary greatly depending on venue and your budget. A community event in local church halls with simple (but nourishing) buffets, e.g. for a Future Search (64 people over 3 days), can cost as little as £30 per person in total. Add to this the cost of hiring the hall and any equipment you need, i.e. flipcharts, butchers paper, Mr Sketch pens etc. A realistic budget to aim for when organising a Future Search that includes, invitations, paper, flipcharts, pens, refreshments, lunch, hiring a venue, badges, folders etc. would be between £1,250 and £2,000. Large events using Real Time/Open Space/Conference Model methodologies in hotels and conference centers will start at around £40/£50 per person, per day. Add to this probably another £10 per person, per day, for all the additional unseen costs, i.e. flipcharts, microphones, stationery, additional rooms for logistics and breakout sessions, signage, photocopying etc. Unless money is no object and you can have multi-screen projection to every corner/wall of the room, then avoid OHPs.

7.7 Managing the Whole Process

The pattern of work for this type of event is typically: Three to four days at the beginning of the planning stage. This is the time when you source the venue and provisionally arrange equipment etc. It is during this time that you set up the venue for the design/planning team meeting including sending them any information on the design/planning meeting itself.

The design/planning meeting - a one to two day meeting. This is followed by time typing up the output and putting together the invitation and any marketing materials. About a week of activity when you have the names of the participants and joining instructions etc. are sent out. Ongoing work to monitor numbers of participants and send any new joining instructions.

This really depends on the type of event and can take from an hour per day or one to two days per week. Finally, for large events, the whole of the week prior is usually spent copying handouts and making signs, badges, conference packs etc. During this week your numbers will go up, down and up again. People drop out, new people confirm, people swap places. It is difficult for this work to be slotted in on top of an already full day job. You have to let something go to be able to do this well and give it the time it needs for the event to run smoothly and for you to stay healthy!

If you are running a two or three day event, and the evaluations at the end of day one contain logistics comments, then sit up and take notice, especially if it is something important like the air conditioning, or drilling/ banging going on outside the venue.

Feed back to the facilitation team what you are doing to improve any logistics issues. This information will be given to participants at the start of day two. Don’t take it personally - evaluations at the end of the event can contain comments about logistics. For example, “didn’t like the dessert!” Don’t take them all to heart - treat it as data. If you are holding a one-day event then there is nothing you can do about the fact that some people didn’t like dessert. Take it on board as learning for future events. Over time you will build a wealth of knowledge of the best processes that work for your organisation.
VISTA Consulting specialises in Meeting Design and Facilitation. Our events/meetings always relate to ‘real work’ and are never gala dinners. Our logistical work comprises:

- Complete Event Management from sending invitations, dealing with bookings, organising venues, providing stationery and equipment, providing a team of stewards on the day.
- On the day where a client is happy to deal with the invitations and booking process and we support the work of the day. We would also work with the client throughout the design process to ensure that all of the necessary equipment is obtained.
- Advice supporting clients with telephone or faceto-face advice that are undertaking all of the logistics work themselves.

Logistics is the management of the flow of goods, information and other resources, including energy and people, between the point of origin and the point of consumption in order to meet the requirements of consumers (frequently, and originally, military organisations). Logistics involve the integration of information, transportation, inventory, warehousing, material-handling, and packaging. The term “logistics” originates from the ancient Greek” (logos” - ratio, word, calculation, reason, speech, oration”).

Logistics is considered to have originated in ancient times, chiefly due to need of the military to supply themselves with arms, ammunition and other materials as they moved from their base to a forward position. In ancient Greek, Roman and Byzantine empires, there were military officers with the title ‘Logistikas’ who were responsible for financial and supply distribution matters.

The Oxford English dictionary defines logistics as;”The branch of military science having to do with procuring, maintaining and transporting material, personnel and facilities.” Another dictionary definition is: “The time related positioning of resources.” As such, logistics is commonly seen as a branch of engineering which creates “people systems” rather than “machine systems”.

Logician is the profession in the logistics & transport sectors, including sea, air, land and rail modes. Professional qualifications for the logisticians can carry post-nominal letters. Common examples include FCILT/CMILT/MILT (by The Chartered Institute of Logistics & Transport) (CILT), EJLog/ESLog/EMLog (by European Logistics Association) (ELA), PLog (by Canadian Professional Logistics Institute), CML/CPL (by SOLE - The International Society of Logistics), JrLog/Log/SrLog (by China Federation of Logistics & Purchasing) (CFLP), FHKLA/MHKLA (by Hong Kong Logistics Association) (HKLA), PLS/CTL/DLP (by American Society of Transportation & Logistics) (AST&L). However, some universities and academic institutions do help in producing logisticians, by offering academic degree programmes at both undergraduate and postgraduate levels, too.

Military logistics
In military logistics, logistics officers manage how and when to move resources to the places they are needed. In military science, maintaining one’s supply lines while disrupting those of the enemy is a crucial-some would say the most crucial-element of military strategy, since an armed force without resources and transportation is defenseless. The defeat of the British in the American War of Independence, and the defeat of Erwin Rommel in World War II, has been largely attributed to logistical failure. The historical leaders Hannibal Barca, Alexander the Great and the Duke of Wellington are considered to have been logistical geniuses. Another field within logistics is called Medical logistics. Logistics management is that part of the supply chain which plans, implements and controls the efficient, effective forward and reverse flow and storage of goods, services and related information between the point of origin and the point of consumption in order to meet customers’ requirements. A professional working in the field of logistics management is called a logistician. The Association for Operations Management (APICS), is a not-for-profit international education organisation, offering certification programs, training tools and networking opportunities to increase workplace performance. It was founded in 1957 as the American Production and Inventory Control Society, and currently has about 77,000 individual and corporate members in over 25,000 affiliates worldwide. As of April 2008, the organisation is headquartered in Chicago, Illinois.
(CILT) was established in the United Kingdom in 1919 and was granted the Royal Charter in 1926. The Chartered Institute is one of professional bodies or institutions for the logistics & transport sectors that offers such professional qualification or degree in logistics management.

**Logistics management software**

Software is used for logistics automation which helps the supply chain industry in automating the work flow as well as management of the system. There are very few generalised software available in the new market in the said topology. This is because there is no rule to generalise the system as well as work flow even though the practice is more or less the same. Most of the commercial companies do use one or the other custom solution. But there is various software that are being used within the departments of logistics. Few departments in logistics are namely, Conventional Department, Container department, Warehouse, Marine Engineering, Heavy haulage, Etc.

The software’s that are used in these departments are

- Conventional department: CVT software / CTMS software /  
- Container Trucking: CTMS software /  
- Warehouse: WMS /

**Business logistics**

Logistics as a business concept evolved only in the 1950s. This was mainly due to the increasing complexity of supplying one’s business with materials and shipping out products in an increasingly globalised supply chain, calling for experts in the field who are called Supply Chain Logisticians. This can be defined as having the right item in the right quantity at the right time at the right place for the right price and is the science of process and incorporates all industry sectors. The goal of logistics work is to manage the fruition of project life cycles, supply chains and resultant efficiencies. In business, logistics may have either internal focus (inbound logistics), or external focus (outbound logistics) covering the flow and storage of materials from point of origin to point of consumption (see supply chain management). The main functions of a qualified logistician include inventory management, purchasing, transportation, warehousing, consultation and the organising and planning of these activities. Logisticians combine a professional knowledge of each of these functions so that there is a coordination of resources in an organisation. There are two fundamentally different forms of logistics. One optimises a steady flow of material through a network of transport links and storage nodes. The other coordinates a sequence of resources to carry out some project.

**Production logistics**

The term is used for describing logistic processes within an industry. The purpose of production logistics is to ensure that each machine and workstation is being fed with the right product in the right quantity and quality at the right point in time. The issue is not the transportation itself, but to streamline and control the flow through the value adding processes and eliminates non-value adding ones. Production logistics can be applied in existing as well as new plants. Manufacturing in an existing plant is a constantly changing process. Machines are exchanged and new ones added, which gives the opportunity to improve the production logistics system accordingly. Production logistics provides the means to achieve customer response and capital efficiency. Production logistics is getting more and more important with the decreasing batch sizes. In many industries (e.g. mobile phone) batch size one is the short term aim. This way even a single customer demand can be fulfilled in an efficient way. Track and tracing, which is an essential part of production logistics - due to product safety and product reliability issues - is also gaining importance especially in the automotive and the medical industry.

A widespread idea prevails that logistics is ‘movement of goods’. That is a narrow concept. Logistics is much more and much wider than mere physical handling of goods. Logistics involves several other functions such as purchasing, plant location, plant layout, etc., and even the disposal of wastes. It covers astonishingly varied professional disciplines.

They are:
- Facility location
- Planning
- Forecasting and order management
- Transportation: the mode and the route
- Inventory management: all inventories
- Warehousing
- Protective packaging
- Information: maintenance and flow

Many definitions are given for ‘logistics’. Here are some:
- Logistics is strategically managing movement of goods and all forms, the procurement and storage of inventory in
- The process of strategically managing the procurement, movement and storage of materials, parts and finished inventory (and the related information flows) through the organisation and its marketing channels in such a way that current and future profitability are maximised through the cost-effective fulfillment of orders
- The study and management of goods and service flows and the associated information that set these in motion.
- These definitions give the idea of the wide range of functions that logistics covers. A simple definition is: “Logistics is the delivery of the required goods, at required place, at required time, in required state and to the required person … efficiently.

Logistics is the one important function in business today. No marketing, manufacturing or project execution can succeed without logistics support. For companies, 10 per cent to 35 per cent of gross sales are logistics cost, depending on business, geography and weight/value ratio. Logistics is comparatively a new term, but not the operation. Logistics has existed since the beginning of civilization. Raw material and finished products had always to be moved, though on a small scale. Things began changing with the advance in transportation. Population began moving from rural to urban areas and to business centers. No longer did people live near production centers, nor did production take place near residence centers.

The geographical distance between the production point and consumption point increased. And logistics gained importance. Another factor has come into play recently. Since the early 1990’s, the business scene has changed. The globalisation, the free market and the competition has required that the customer gets the right material, at the right time, at the right point and in the right condition ... at the lowest cost.

Logistics, in its most basic definition, is the efficient flow and storage of goods from their point of origin to the point of consumption. It is the part of the supply chain process that plans, implements and controls the flow of goods. It can also be seen as the management of inventory, in rest or in motion. The word logistics was first used in the military service to describe the process of supplying a war zone with troops, supplies and equipment. The term is now used more commonly in the field of business.

A recent US study found that logistics costs account for almost 10% of the gross domestic product. The process itself covers a diverse number of functional areas. Involved in logistics are transportation and traffic, as well as shipping and receiving. It also covers storage and import/export operations. The concept of logistics can be applied to specific areas of business. Acquisition logistics, for example, covers everything involved in acquiring logistics support equipment and personnel for a new weapons system for the military. This includes identifying, designing, defining, developing, producing, delivering and installing the new weapons system.

Another area is Integrated Logistics Support (ILS). This is a management function that provides funding, planning and controls to assure that the system meets the expected requirements. ILS is also expected to make sure the price of the goods is reasonable and the product is of the required quality. Many businesses that deal with supply of goods or services have their own logistics department. For example, a company supplying photocopying paper around the world will have a logistics team. The manager will oversee or delegate to his staff the process from the point of origin. The team will deal with the acquisition of paper from the paper supplier all the way to the customer who
requests the paper. The supplier and buyer may be located in different countries. It is the logistics team who must make sure that products can be obtained at a reasonable price. They then have to make sure the product is shipped on time and will arrive when expected. The logistics team also has to deal with importing and exporting contracts, and possibly also with the customs department. The process at times can be a lengthy one, but once in place should run smoothly.

### 7.10 The Elements of Event Logistics

Most logistics theories concern the supply of products to customers. In the events industry, logistics include the efficient supply of customers to the festival product, and the supply of facilities and products to and from the event site. “In this sense, it has more in common with military logistics than modern business logistics”. A careful attention to details is essential, because if part of the logistical requirements is overseen, it could have fatal consequences to the outcome of the festival. The ‘supply’ of festival visitors and sponsors is described closer. The design of the venue and special safety requirements depend largely on the nature of the entertainment (also type of music from the author’s point of view), location, size and duration of the event, the existing geographical, topographical and environmental infrastructure as well as the outcome of the risk assessment. When assessing the site suitability a rough calculation of the available space for the audience, temporary structures, backstage facilities, parking space, camping areas and rendezvous points should be made. Factors that also should be considered before beginning a detailed site design are:

- Ground conditions (even and well-drained open sites are the most suitable);
- Traffic and pedestrian routes as well as emergency access and exits;
- Position and proximity of noise-sensitive buildings (to avoid complaints of neighbours while meeting bands’ sound level requirements);
- Geographical location (i.e. accessibility via public transportation, major roads, local services and facilities, distance to the next hospital etc.);
- Topography natural features can be either a great advantage (e.g. reducing noise) or a disadvantage;
- Location and availability of services, especially water, sewage, gas, electricity and telephone cables. After the above information is evaluated and conclusions from the risk assessment are made, all the special requirements, facilities and safety precautions for the festival can be determined, i.e. number and size of the stages, tents, barriers, sanitary facilities, first aid, concessions, entrances and exits, backstage areas, hospitality area, sight lines and viewing areas, delay towers, perimeter fencing, electricity, water supply as well as waste disposal requirements.

### 7.11 Temporary Structures, Barriers, Marquees and Large Tents

Temporary structures include performing stages, dance platforms, towers and masts, temporary stands and viewing platforms. “The failure of any temporary structure in a crowded, confined space could have devastating effects. It is therefore essential to plan, monitor, and erect structures using safe working practices.” There are a number of various regulations set by both the licensing and health and safety enforcing authorities regarding construction drawings for temporary structures, calculations, design loads, relevant test results, ground load bearing capacity and other. It is the event safety co-coordinators’ task to ensure that all activities relating to the construction of temporary structures follow safe working practices.

Marquees and large tents must be capable of withstanding strong winds and heavy rains. Furthermore, they should not be placed close to each other or to pedestrian and vehicle routes. Licensing authorities also require the material that tents and marquees are made from to be flame retardant, and that an adequate number of emergency exits, means for giving warning in case of fire, firefighting equipment and emergency escape lights and signs are provided. Barriers provide physical security for performers and event staff on one hand, and relieve or prevent the buildup of crowd pressures on the other. The front of stage barrier, when constructed properly, enables first aid treatment from crowd pressure. The area between the front of stage barrier and the stage is called “pit” and is designed to support the work of stewards, first aiders, and paramedics. The main role of stewards in this area is to oversee the audience and to extract people of the audience who are in distress and to lift them into the “pit” area. Other types of barriers include side-stage barriers or fences, finger barriers, multiple barrier systems and other.
7.12 Travel Arrangements

Transportation to the festival site is part of the event experience for festival goers on one hand, and it has a significant impact on road traffic and public transportation depending on the accessibility of the site and the size of the audience on the other hand. Thus, traffic marshalling, parking arrangements, sign-posting, public transportation and emergency access need to be planned carefully since they involve public safety and create the visitor’s and performer’s first and last impressions, which partly influence the quality of the festival experience.

The following aspects regarding traffic marshalling and sign-posting should be taken into consideration: working with the police and motoring organisations about signs of the routes to the festival site, the movement of the traffic and access of emergency services; contacting railway authorities and coach organisations regarding additional arrangements for shuttle services, remote car parks and train capacities; calculating a sufficient number of stewards for marshalling the traffic flows on site and directing the parking of vehicles. Furthermore, a system of entrance gate numbers and car park numbers, shuttle bus stops, emergency vehicles and motoring organisation points, parking spots for taxis, telephones, and sanitary accommodation at parking areas should be set up. The event organiser can encourage public transportation by agreeing special deals with coach and railway companies in order to reduce the car traffic, e.g. paying a lower rate for bus or train to and from the event with a valid festival ticket. If such agreements are made, details about the rates and valid festival tickets will have to be communicated to all concerned representatives of the transportation companies. Moreover, these kinds of special deals need to be advertised well in advance, which would even support the ticket sales before the event and reduce the number of onsite ticket sales. National Express, for example, offers special coaches and fares direct to Glastonbury Festival from 46 locations around Britain for pre-paid festival entrance ticket holders.

Hospitality

Hospitality should be seen as a caring attitude towards guests (“customer care” from a marketing perspective) that helps identifying the special needs of every group of people involved in the festival, i.e. festival workers, festival goers and special guests coming from sponsors or other supporting individuals. On one hand, designing the hospitality arrangements separate for each target group could be a great advantage so the necessary attention to each group can be provided within a certain physical area that has special facilities and services for satisfying particular needs. On the other hand, this action could cause a feeling of discrimination if one target group is treated better than others. Thus, decisions about hospitality arrangements must be made with this issue in mind and should be assessed according to how they support the long-term objectives of the festival.

Facilities for people with special needs

Facilities for wheelchair users, people who have difficulties with their walking, vision or hearing must be provided according to various regulations enforced by the concerned authorities. Such provisions include easy access and adequate means of escape, wheelchair spaces, legible signs, quality of lighting, and identified car parking. Although festivals examined in this paper are not aimed at children, certain facilities must be provided for them in case they accompany adults. The fact that the festival is not suitable for children or the required age should be publicised in advance. However, temporary arrangements for the care of lost children, dedicated play areas and suitable activities for children should still be considered even if the festival is not aimed at this age group. Sound and Noise If electrical installations are not installed and managed.

Welfare facilities and information points vary depending on the size and type of event and can be determined by the festival risk assessment. Their contribution to the safety and well being of the audience should not be underestimated. Young or first-time festival goers can be encountered with unknown effects of drugs which could require psychological help from competent welfare workers. These could be people who have experienced the negative effects of any kind of drug addiction and want to share their experience in order to educate and warn younger potential users. Research findings state that when people cannot find the information or advise they are looking for, they may feel unsatisfied, discontented, or even become aggressive, which is another reason in favour of arranging adequate welfare and information points.
Advance information about the site layout, advice on food and shelter, personal equipment, prohibited items; meeting-up arrangements, transport and parking are all points that can be included in a leaflet distributed at the point of sale of tickets. Additionally, site plans should be displayed at entrances, information points, car parks, first aid points and in the event programme.

Elements that should be included in site-plans are: camping areas, sanitary facilities, performance areas, exits and entrances, car parks, main roads, first-aid points, emergency services, fire points, welfare points, information points, police points, catering facilities, lost people’s meeting point, lost children’s facility, public telephones, children’s play areas, lost property, drinking water, emergency shelters, and property lock-ups. For smaller festivals a notice board can have the function of a meeting point. For larger events information and welfare points staffed with event workers should be placed near the main entrance inside the venue or at several locations depending on the size of the event.

Placing lost property points next to welfare services is advantageous since people who become distressed when losing personal belongings can be helped from competent welfare workers. Proper signage of the venue and the surrounding area is an invaluable factor contributing to a better orientation for festival visitors. Signs with black letters on yellow background (or white on blue) containing less than five words are supposed to be the best combination. When placing signs on traffic roads outside the venue, the local authority and highway representatives must be consulted and asked for permission.

Generally speaking, a number of aspects must be considered regarding the sanitary accommodation: number adequate to the audience size, location, access, construction and signage. In order to minimise queuing, they should not be concentrated in one place. The ratio of male-female also needs to be estimated. A recommended number of female conveniences is 1 WC per 100 females, and for males it is 1 WC for up to 100 males, 2 WCs for up to 500 males, 3 WCs for up to 1000 males, and 1 WC for every additional 500 males. One wash-hand basin should be provided per 5 sanitary conveniences.

Suitable sanitary accommodation must also be provided for people with disabilities. Glastonbury Festivals often get complaints about their sanitary accommodations, because they do not have enough water to have flush toilets. “It’s on a par with Boy Scout jamboree or Girl Scout camp ... if (they) ... can cope (with it) we can. It is difficult to improve without the water and mains sanitation. “At the same time, Water Aid, one of their main benefiting charities, provided in 1998 African-style toe-tapping toilets to Glastonbury promoting their activities in developing countries. Litter picking (3-4 weeks after the festival and during) at Glastonbury Festivals and waste disposal are time consuming tasks. They recycle glass, paper and tins. In 1996, the festival recovered 23 tons of waste for recycling despite the muddy weather, which is an amazing fact considering that other festivals do not recycle at all.

Accommodation
Camping is the main type of accommodation for members of the audience, performers, and festival workers at open-air festivals and is part of the festival experience contributing largely to a satisfying or dissatisfying event. Incorporated in the event planning it requires an adequate number of facilities and services, e.g. water supply, sanitary accommodation, catering facilities, telephones, recycling points, stewarding and medical facilities as well as fire equipment. Campsites should also have adequate lighting as well as secure accommodation where people can leave valuable articles since crime is a problem that can have a very negative impact on the festival experience. Stewards patrolling the campsite or using watchtowers to oversee the area could contribute to the prevention of uncontrolled fires and crime. Camping areas should be separated into sections for security reasons regarding performers as well as to ease the orientation for campers, to allow for the management of each area, to control the densities and to provide information to campers. Parking areas should not be too far away from camping areas and separated with appropriate fences. Providing entertainment facilities at camping areas can also influence crowd movement, e.g. a dancing tent open throughout the night will make some of the festival-goers attend the performances next day at a later point of the day.
Food and beverage
Food and beverages are also part of the festival experience which is why their delivery, storage, preparation and sale need special consideration. This includes mobile catering units, catering stalls and marquees, crew catering outlets, hospitality catering, bars and other food or beverage vendors. Suppliers of food, beverage and other services and products that are chosen for the festival must offer products that meet and even exceed the needs and expectations of festival-goers.

Licenses and permits
Food and beverages are sold in great quantities at festivals, both of which require licenses. The organiser should assure that traders deliver, store, prepare and sale all food following the appropriate laws. The sale of alcohol requires a separate license from the licensing authority that might require certain conditions like types of containers to be used, selling hours, etc. According to the Guide to Health, Safety and Welfare at Pop Concerts and Similar Events, vehicles that are used for dispensing food, drinks and other products should not be moved during the actual event when people are present.

Water
The availability of water is a limiting factor on the audience size at all green-field events. Especially the logistics of moving big quantities of water needs to be planned carefully. Having independent water supply zones can prevent incidents with the water supply affecting the whole festival venue. Generally speaking, a sufficient number of drinking water outlets should be provided throughout the venue within easy reach (I.e. one outlet for every 3000 persons), especially at first aid points, and sanitary accommodations. Separate water outlets for food vendors are also essential. Additionally, free drinking water should be provided where the audience is crowded, i.e. in the front of the stage area, since people are very likely to get dehydrated even faint as a result, collapse and be trampled. Water “showers” pointed at the crowd in front of the stage area can be very refreshing and pleasant for the crowd during high temperatures and intensive crowd movements.

Glastonbury Festival being held on the outskirts of Pilton (which is a small village with adequate water supply for the village’s needs) requires 1 million gallons of water over a period of 5 days. Thus, additional water is being imported from a water authority reservoir by milk tankers, and a system of pipes is required in order to distribute the feed from various areas to the final delivery area. To ensure an adequate supply to all areas, the water is pumped around the system and its quality is being monitored continuously. For a week prior to the start of the festival and daily throughout the festival 20 samples a day are taken for bacteriological testing at a Certified Public Health Laboratory. The results are presented to the Environmental Health Officers who in turn res ample several random points for their own testing purposes and comparison.

7.13 Four Stages of Event Hospitality Success
The Ultimate Guide to Sport Event Management and Marketing suggests the following four stages of success regarding the event hospitality for VIPs, sponsor representatives, and other official guests. However, they can also be applied to other groups of individuals involved in the festival, i.e. the festival workers and visitors, in order to avoid the feeling of discrimination to arise.

Stage 1: To identify the guests’ needs and expectations; to determine whether they are more active or passive, “Doers or Watchers,” to understand their psychographic profile. The event organiser must be aware of the guests’ view of the festival in order to achieve a positive first and last impression of the event. The greatest impact on the guests is the last impression. For example an elaborate aerial firework and laser show, or special souvenirs that are handed to every departing guest can create lasting memories of the festival and induce positive word of mouth, which contributes to the event’s success, from the author’s point of view. Invitations can be considered as an expectation builder; thus, they need to be unique in their design in order to achieve a positive response from guests, but they should not promise services that are impossible to be provided.
Stage 2: Amenities are the extras that matter in order to exceed the guests’ expectations. Concierge like assistance at separate entrances and in the venue, provision of programs and other material” in order to make the guests feel well informed and important. Welcome signs in the train stations, hotels and streets, separate shuttle buses to the venue with extra service of refreshments and snacks will also contribute to a pleasant experience.

Stage 3: Observation and adjustment of a flexible hospitality programme is necessary in order to ensure that the event satisfies the needs of the guests constantly, especially unexpected last minute needs. This can be achieved by observing the guests’ response to certain services, and directly asking if there are any problems. If a reception for the media is planned, the fact that journalists work long hours should be considered; food service should be made available for a longer period of time.

Stage 4: Evaluation and measurement of the event’s hospitality through directly asking the guests about suggestions for improvements, formal written evaluations, telephone interview and internal review with the event staff. The results of such surveys can be published and also send to prospective sponsors.

Invitations: Their design (that should be high quality and innovative), the method of delivery with time to reply (including hand delivery and email), invitation content including time, date, name of event, how to RSVP, directions, parking, and promotional material for the festival.

Arrival of the Guests: Timing, parking arrangements, meeting and greeting (Le. having someone to welcome the guests to the festival), reduce all waiting times (e.g. having a welcome cocktail while waiting to be booked into the accommodation).

Amenities: Have a separate area for guests (e.g. marquee or special hospitality tent), offer food and beverages with a special menu and personal service, separate, high quality viewing area of the performance with good views and facilities, special communication regarding signage and information desk.

Gifts: Tickets to the festival, souvenirs (e.g. programs, pins, T-shirts, CDs, posters), meeting the performers.

Departure: Timing should not be at the same time as the audience.

7.14 New Vistas in Logistics

Today logistics, the nerve centre of any market structure determines the competitive advantage in a big way. Logistics management covers a wide range of disciplines, which include:

- Fleet management
- Irrespective of the industry, a company’s fleet of vehicles own or hired, contributes to a major share of the operational cost, which multiplies if poorly managed.
- Thus effective fleet management results in substantial savings with increased earnings.
- Transportation management
- A major sub function of logistics, this creates time and space utility in goods. In fact, the backbone of an entire supply chain is transportation management.
- Warehouse management
- Essentially involves efficient management of receiving, stockpiling and dispatching products.
- Inventory management

Every company should aim at simultaneously reducing inventory and maintain high customer service. Therefore, the real challenge lies in building customer service without increasing inventory. Logistics and supply chain management are two of the hottest career paths and genuinely global in scope. Globalisation calls for international movement of products and efficient logistical management of supply chains from source to destination. Logistics is now a specialised area of knowledge and therefore, necessitates training to achieve specialised skill sets.
Introduction of specialised courses at various business schools, including the IIMs, stand testimony to this. A B.E./B.Tech in automobile engineering qualifies one for a Fleet Manager. Logistics managers, Warehouse managers and Inventory managers are generally management graduates with a specialisation in operations or transportation management. Graduates with training in warehouse and inventory management can become warehouse supervisors, store supervisors or other shop floor staff. At the executive level larger retailers like RPG and Shopper’s Stop are recruiting MBAs from premier management institutes. Understanding the requirements of the logistics industry, various software developers have introduced simple, effective and user-friendly software packages such as Fleet Management System (FMS) that have revolutionised the job of fleet managers.

A State-of-the-art TMS (Transportation Management System) simplifies the process of booking, delivery and shipment of products through management of information. WMS/IMS (Warehouse Management Systems and Inventory Management Systems) on the other hand, provide better warehouse management and inventory control. Track-n-Trace software empowers customers to spot their valuable orders in transit with a mouse click. Concepts like VMI (Vendor Managed Inventory) are emphasising on vendor selection since the supplier is responsible for maintaining the buyer’s inventory levels. The vendor has access to the buyer’s inventory data and is responsible for generating purchase orders. Data Warehousing is an established concept in advanced nations. Information on existing and potential customers is tracked with the help of ‘database retailing’. Therefore, IT professionals to play a vital role in the field of logistics management logistics or a warehouse manager. It is critical because employees are expected to be on time, pick orders accurately and put in extra efforts to beat the schedule. Employees should also take pride in their job and have the right attitude required to work in a warehouse. Warehouse and store supervisors require effective communication skills to provide excellent customer support. Training in writing memos, reports and claims and communication techniques while using telephone, fax and other electronic equipment are equally important.

The application of basic mathematical techniques in warehousing procedures is also desired. Employees need to have training in the use of personal protective equipment, fire safety, warehouse security and safety procedures and manual lifting techniques. High salaries, flexible timings, profit sharing and continuous training are some of the competitive benefits for employees in the logistics industry. Many a young graduate attracted by these benefits enter this field, which earlier catered to a very limited group of people.
Summary

- Events are designed using a group of people from across the system - referred to as a Design Team.
- Design Team members may have limited experience of how participative events are organised, some or no knowledge of the venue, location etc.
- Employees need to have training in the use of personal protective equipment, fire safety, warehouse security and safety procedures and manual lifting techniques.
- A State-of-the-art TMS (Transportation Management System) simplifies the process of booking, delivery and shipment of products through management of information.
- The Ultimate Guide to Sport Event Management and Marketing suggests the following four stages of success regarding the event hospitality for VIPs, sponsor representatives, and other official guests.
- For larger meetings it is essential to have a good AV System. It can seem an unnecessary expense but we would always recommend having the equipment delivered on setup day and doing a full rehearsal with the sound technician.
- Warehouse and store supervisors require effective communication skills to provide excellent customer support. Training in writing memos, reports and claims and communication techniques while using telephone, fax and other electronic equipment are equally important.
- A professional working in the field of logistics management is called a logistician.
- Logistician is the profession in the logistics & transport sectors, including sea, air, land and rail modes.
- Data Warehousing is an established concept in advanced nations. Information on existing and potential customers is tracked with the help of ‘database retailing’.
- Employees need to have training in the use of personal protective equipment, fire safety, warehouse security and safety procedures and manual lifting techniques.

References

- *Saan Event Logistics (English version)* [Video online] Available at: <http://www.youtube.com/watch?v=L5loi3Hbd3s> [Accessed 16 June 2013].

Recommended Reading

Self Assessment

1. Which of the following should be seen as the caring attitude towards guest?
   a. Hospitality
   b. Travel arrangement
   c. Program logistics
   d. Accommodation

2. Logistics as a business concept evolved only in the ________.
   a. 1940s
   b. 1930s
   c. 1950s
   d. 1960s

3. __________ is an established concept in advanced nation.
   a. Data Mining
   b. Data Warehousing
   c. Data Encapsulation
   d. Data Manipulation

4. __________ is the profession in the logistics & transport sectors, including sea, air, land and rail modes.
   a. Vendor
   b. Logistician
   c. Operational manager
   d. Event handler

5. __________ need to have training in the use of personal protective equipment, fire safety, warehouse security and safety procedures and manual lifting techniques.
   a. Logistician
   b. Event handlers
   c. Employees
   d. Vendors

6. Which of the following statements is true?
   a. Events are not designed using a group of people from across the system - referred to as a Design Team.
   b. Warehouse and store supervisors do not require effective communication skills to provide excellent customer support.
   c. A State-of-the-art TMS (Transportation Management System) simplifies the process of booking, delivery and shipment of products through management of information.
   d. Employees do not need to have training in the use of personal protective equipment, fire safety, warehouse security and safety procedures and manual lifting techniques.
7. Which of the following is false?
   a. Data Warehousing is an established concept in advanced nations.
   b. Employees need to have training in the use of personal protective equipment, fire safety, warehouse security and safety procedures and manual lifting techniques.
   c. The availability of water is a limiting factor on the audience size at all green-field events.
   d. Warehouse and store supervisors do not require effective communication skills to provide excellent customer support.

8. __________, in its most basic definition, is the efficient flow and storage of goods from their point of origin to the point of consumption.
   a. Logistics
   b. Strategic
   c. Stagic
   d. Planning

9. __________ are often required in real time to overcome unforeseen problems or emerging issues.
   a. Strategy
   b. Decisions
   c. Availability
   d. Warehousing

10. Events are designed using a group of people from across the system - referred to as a __________.
    a. Organiser
    b. Planner
    c. Manager
    d. Design Team
Chapter VIII
Staging Event

Aim
The aim of this chapter is to:

- explicate the concept of staging event
- explain the importance of lighting events
- elucidate the need for entertainment in events

Objectives
The objectives of this chapter are to:

- examine the evolution of staging event
- analyse the process of home staging
- enlist the benefits of staging event

Learning outcome
At the end of this chapter, you will be able to:

- define revised venue
- understand the importance of events
- identify the various types of lights
8.1 Introduction

Staging is the process of selecting, designing, adapting to, or modifying the performance space for a play or film. This includes the use or absence of stagecraft elements as well as the structure of the stage and its components. Staging is also used to mean the result of this process, in other words the spectacle that a play presents in performance, its visual detail. This can include such things as positions of actors on stage (often referred to as blocking), their nonverbal gestures and movements (also called stage business), the scenic background, the props and costumes, lighting, and sound effects. Besides costume, any physical object that appears in a play has the potential to become an important dramatic symbol.

The first thing that the audience of a play sees is the stage set, the physical objects that suggest the world of the play. The stage set is usually indicated by the playwright, but the degree of detail and specificity of this rendering vary from one playwright to another and from one literary period to another. In film, staging is generally called set dressing.

8.2 Set Construction

Set construction is a process by which a set designer works in collaborations with the director of the production to create the set for a theatrical, film or television production. The set designer produces a scale model, scale drawings (including, but not limited to: a ground plan, elevation, and section of the complete set as well as several more detailed drawings of individual scenic elements) paint. Elevations (a scale painting supplied to the scenic painter of each element requiring painting), and research about props, textures, etc. Models and paint elevations are generally hand-produced, however in recent years many designers and most commercial theatres generally produce scale drawings on computer drafting programs such as AutoCAD or Vector works.

The technical director or production manager is the person responsible for evaluating the finished designs and considering budget and time limitations. He or she engineers the scenery, has it redrafted for building, budgets time, crew and materials, and liaisons between the designer and the shop. Technical directors often have assistant technical directors whose duties can range from drafting to actually building scenery.

A scene shop is often overseen by a shop foreman or master carpenter. This person assigns tasks, does direct supervision of carpenters, and deals with day-to-day matters such as absences, breaks, tool repair, etc. The staff of a scene shop is usually referred to as scenic carpenters, but within that there are many specialties such as plasterers, welders, and scenic stitchers. Scenic painting is a separate aspect of scenic construction, although the scenic painter usually answers to the technical director.

There is also usually a separate man/woman referred to often as a jack of all trades, but is also known to be what’s called a Fred-John in parts of the country, he doesn’t specialise in a particular aspect of construction, however he is skilled to some degree in most

8.3 Home Staging

Home staging is the act of preparing a private residence prior to going up for sale in the real estate marketplace. The goal of staging is to sell a home quickly, and for the most money possible by attracting the highest amount of potential buyers. Staging focuses on improving a property to make it appeal to the largest number of buyers by transforming it into a welcoming, appealing, and attractive product for sale. Staging often raises the value of a property by way of reducing the home’s flaws, depersonalizing, decluttering, cleaning, improving condition items, and landscaping. For vacant homes, rental furniture is used to create a living space the buyer could “see” themselves in. Properly executed staging leads the eye to attractive features while minimising flaws.

Since the 1970s, real estate agents professionals have used staging as a marketing tool in the US and Canada. Not until the 1990s did this real estate trend become a separate endeavor adopted by professional designers and decorators, real estate agents and home based career seekers. More recently, the trend of do-it-yourself home staging has become widely popular, as many books have been published on the subject.
Staging is increasingly viewed by some as a necessary step taken prior to selling a home, and many home sellers use the services of a professional home stager or a real estate agent with staging expertise to assist them to stage their homes prior to sale. US Research has shown that home staging can reduce a listing’s time on the market by half and could fetch as much as 10-15% more versus an empty home or a home not properly staged. The popularity of home staging has led to the creation of various home staging courses that educate real estate professionals about the home staging process. However, home staging is an unregulated field. There are no industry standards or official boards to give accreditation to the instructors or the schools. Abbreviations such as PSC, ASP, CSS or HSE are popular, but not official.

In Britain, Home Staging had been a relatively new concept but the techniques have been televised by Californian home stylist Ann Maurice in the popular television show House Doctor on Five. Many techniques are used to stage a property. De-cluttering, depersonalizing, updating old or unattractive fixtures, painting, furniture rearrangement, rental furniture and accessorizing are just some of the changes used to make a home more inviting to potential buyers.

Since a typical home buyer decides if they are attracted to a home or not in the first 8 seconds of seeing it, curb appeal is generally viewed as a vital aspect of the staging process. Therefore, curb appeal, the practice of improving a home’s exterior appeal, is used alongside interior improvements. It has been shown that homes containing furniture and accessories sell more quickly than vacant homes, because the potential buyers realize what can actually be done with the place. They may realize that the room is actually a lot larger than it would look without furnishings. Rental of furniture and decorative accessories is a common solution when selling brand new properties that have never been occupied, or those where homeowners have already vacated the property.

Spaciousness and light often determine the success of a staged home. Typically, the larger a room appears, the better it will seem to homebuyers. Dark, tight spaces create a poor impression and may prevent the home from selling. Furniture layouts should create an impression of openness and comfort. Non-essential items should be removed to minimize crowding and clutter. Opening curtains and blinds to let in natural light and turning on interior and exterior lights at nighttime are also common staging techniques.

One school of thought suggests that wall treatments and flooring are most appealing when presented in neutral colors and subtle patterns. Paint colors should be neutral whenever possible, as bright or bold colors and strong patterns detract from the universal appeal of a space. This rule, however, does not always hold true, particularly in the luxury home market, where unique fixtures and bold finishes—such as stained concrete flooring, deeply colored textured paints and artisan fixtures—are often considered highly desirable. Religious items, personal photos, awards, certificates and cultural items are often removed to downplay the presence of current homeowners. This helps potential home buyers to not only feel more at ease during viewings, but allows them to focus on the property itself while also imagining their own belongings in the space.

Audience/guest
It means number of people you are expecting to attend your event. Make sure that your venue can easily accommodate your expected target audience. Your venue should not be too small or too large for your guests. If too small, then your guests will feel discomfort. If it is too large then you will unnecessarily end up paying more for the venue. Get firm indications whether guests plan to attend your event by sending R.S.V.P clearly printed on the invitation.

The term R.S.V.P is a French acronym. Its meaning in English is ‘Please Respond’. If R.S.V.P is printed on the invitation then the invited guest is expected to tell the host whether or not he/she is attending the event. Since many people don’t understand the meaning of this term or don’t bother to reply back, it is advisable to individually call and ask your guests about their plan to attend-the event. In this way you can get quite accurate idea of the guest size which will help you in deciding food and beverage quantities also.
Target Audience Status
If you target audience are rich people then your venue must be a five star hotel or resort and all the services provided during the event must be of very high quality. Target Audience Convenience Select venue according to target audience convenience. Your venue should not be very far from the place where majority of your target audience live. Your venue should have proper lighting and ventilation. It should not be in a noisy or polluted area. It should be absolutely neat and clean and free from any type of infestation.

Climatic Conditions
Keep Climatic conditions in mind while selecting a venue. If you are going to organise an event during rainy season or during peak winter then selecting an open-aired venue is not a good idea. Always try to organise indoor events if possible as there production cost is lesser than the outdoor events.

Venue History
Before hiring a venue checks out the history of the venue. Find out how many events have been organised in the venue so far. In this way you can find out whether or not venue and the staff there is event friendly. This will help you immensely when you later organise event there as you will have to do less amount of work in making the venue suitable for the event. If venue has noise ordinance problems in the past like neighbors calling the cops to shut down the event, then it is not a good idea to organise event there especially outdoor event.

Venue Inspection
If you will go as an event manager to a venue for inspection you will be shown the venue as an ideal venue for organising your event. So best way of inspecting a venue is to check-in there as an anonymous guest, stay there for 2-3 days and deliberately use all the services provided by the venue. Make sure Air Conditioners, fans, water tabs work properly, elevators are operational. There is adequate lighting and ventilation. Check out for sanitation and infestation. Find out how helpful, courteous and professional is the venue staff. Check out whether or not the venue has a noise ordinance in the area where it is located? If yes? At what time is it enforced? E.g.: 10:00PM, 11:00PM. Check out whether or not security is provided in the parking lot and how is the law and order situation in the area where the venue is located. Make sure that the venue suits the event theme.

Amount of Work Required
On the basis of venue history, services provided by the venue and venue’s inspection determine how much work is needed to be done to make the venue suitable for your event. Select a venue where lesser amount of work is required to be done. Lesser the work, lesser will be the production cost of the event.

The stage
Although a somewhat fluid line of work, in essence the stage management team (which can consist of a production stage manager, several assistant stage managers, and any number of production assistants) is responsible for organising the production, communicating across different disciplines (e.g., between the director and the backstage crew, or the actors and production management), and keeping everything running smoothly. This refers not only to seamless management of the technical aspects of a production, but of the human aspects as well.

The responsibilities
The responsibilities and duties of stage management vary depending on the setting of a production, i.e., rehearsals or performance, and the type of production being presented (theatre, dance, and music). Most broadly, it is the stage manager’s responsibility to ensure that the director’s artistic choices are realised in actual performance. Typically in theatre, the stage manager acts as an adjunct to the director in rehearsal, recording the blocking and seeing that cast members stay on script, have necessary props, and follow the blocking. As the lighting, sound, and set change cues are developed, the stage manager meticulously records the timing of each as it relates to the script and other aspects of the performance. The stage manager also ascertains that the lighting and sound cues are taken at the right time. As an example, a typical lighting cue might be called as “LQ 38, stand by”, with the light board operator replying, “standing”, and in turn the stage manager’s “LQ 38, go” setting everything in motion at the appropriate time. The stage manager also maintains a prompt book, sometimes called “the bible,” which contains all cues, technical notes, blocking and other information pertinent to the show.
During rehearsals, stage managers are responsible for helping establish the show’s rehearsal schedule and then ensuring that rehearsals run on time. Once the house opens, the stage manager essentially takes control, calling the cues for all transitions (this is known as “calling the show”), as well as acting as communications hub for the cast and crew. After a show opens, the stage manager is also responsible for calling brush-up, put in and understudies rehearsals to make sure that the show’s quality is maintained. The stage manager is also responsible for seeing that the director’s vision is carried out when he or she is no longer attending the shows and giving notes. In a large production, a team of stage managers will work each performance; one will be responsible for calling the show, and others will be backstage ensuring that actors and crew are ready to perform their duties.

Many live shows around the world are produced with the forehand knowledge that they will have a very long run, often measured in years. These are usually known quantities that are very expensive productions and have a guaranteed audience because of their location. Typically, they are on cruise ships, in theme parks, Las Vegas or destination resorts such as Branson, Missouri. These shows warrant very long range development and planning and use stage managers to run almost all technical elements in the show, without benefit of many of the other traditional crew members, such as sound, lighting and rigging operators. In these cases, show control systems are installed and connected to all other technical systems in the theatre, which are specifically designed to be controlled by show control and to operate safely with minimal supervision. Stage managers working these shows usually have the additional responsibility for programming the show control system, and often the other control systems as well.

**Lights**

Modern stage lighting is a flexible tool in the production of theatre, dance, opera and other performance arts. Several different types of stage lighting instruments are used in the pursuit of the various principles or goals of lighting. Functions of lighting Stage lighting has several functions, although to allow for artistic effect, no hard and fast rules can ever be applied. The functions of lighting include:

- **Illumination**: The simple ability to see what is occurring on stage. Any lighting design will be ineffective if the audience has to strain to see the characters; unless this is the explicit intent.

- **Revelation of Form**: Altering the perception of shapes onstage, particularly three-dimensional stage elements.

- **Focus**: Directing the audience’s attention to an area of the stage or distracting them from another.

- **Mood**: Setting the tone of a scene. Harsh red light has a totally different effect than soft lavender light.

- **Location and Time of Day**: Establishing or altering position in time and space. Blues can suggest night time while orange and red can suggest a sunrise or sunset. Use of gobos to project sky scene, moon etc

- **Projection/stage Elements**: Lighting may be used to project scenery or to act as scenery onstage.

- **Plot**: A lighting event may trigger or advance the action onstage.

- **Composition**: Lighting may be used to show only the areas of the stage which the designer wants the audience to see, and to “paint a picture”.

While Lighting Design is an art form, and thus no one way is the only way, there is a modern movement that simply states that the Lighting Design helps to create the environment in which the action take place while supporting the style of the piece. “Mood” is arguable while the environment is essential.
Qualities of lighting

The four main qualities or properties of lighting are intensity, colour, pattern and focus. Intensity Measured in lux, lumens and foot-candles. For any given luminaire (lighting instrument or fixture), this depends upon the power of the lamp, the design of the instrument (and its corresponding efficiency), the presence or absence of colour gels or gobos, distance from the area to be lit and the beam or field angle of the fixture, the colour and substance to be lit, and the neuro-optics of the total scene (that is, the relative contrasts to other regions of illumination).

Colour

Colour temperature is measured in Kelvin, and gel colors are organised by several different systems maintained by the colour manufacturing companies. The apparent colour of a light is determined largely by the gel colour given it, but also in part by the power level the lamp is being run at and the colour of material it is to light. As the percentage of full power a lamp is being run at drops, the tungsten filament in the bulb glows orange instead of more nearly white. This is known as amber drift or amber shift. Thus a 1000-watt instrument at SO% will appear far more orange than a 500-watt instrument at full. LED fixtures create colour through additive colour mixing with red, green, and blue LEDs at different intensities. This type of colour mixing is also used frequently with border lights and cyclorama lights to create different colors on stage and on the cyclorama. Another form of colour mixing is CMY or subtractive colour mixing. Cyan, magenta and yellow diachronic filters are used in different percentages to create different colors. Because it is often difficult to create true reds and greens, a green diachronic filter is often added to fixtures using this method of colour mixing.

Pattern

Pattern refers to the shape, quality and evenness of a lamp’s output. The pattern of light an instrument makes is largely determined by three factors. The first are the specifics of the lamp, reflector and lens assembly. Different mounting positions for the lamp (axial, base up, base down), different sizes and shapes of reflector and the nature of the lens (or lenses) being used can all affect the pattern of light. Secondly, the specifics of how the lamp is focused affect its pattern. In ellipsoidal reflector spotlights (ERS) or profile spotlights, there are two beams of light emitted from the lamp. When the cones of both intersect at the throw distance (the distance to the stage), the lamp has a sharply defined ‘hard’ edge. When the two cones do not intersect at that distance, the edge is fuzzy and ‘soft’. Depending on which beam (direct or reflected) is outside the other, the pattern may be ‘thin and soft’ or ‘fat and soft.’ Lastly, a gobo or break up pattern may be applied to ERSs and similar instruments. This is typically a thin sheet of metal with a shape cut into it. It is inserted into the instrument near its aperture. Gobos come in many shapes, but often include leaves, waves, stars and similar patterns.

Focus, position, and hanging

Focus is a term usually used to describe where an instrument is pointed. The final focus should place the “hot spot” of the beam at the actor’s head level when standing the centre of the instrument’s assigned “focus area” on the stage. Position refers to the location of an instrument in the theater’s fly system or on permanent pipes in front-of-house locations. Hanging is the act of placing the instrument in its assigned position. In addition to these, certain modern instruments are automated, referring to motorized movement of either the entire fixture body or the movement of a mirror placed in front of its outermost lens. These fixtures and the more traditional follow spots add Direction and Motion to the relevant characteristics of light.

Automated fixtures fall into the moving head or moving mirror / scanner category. Scanners have a body which contains the lamp, PCBs, transformer, and effects (colour, gobo, iris etc.) devices. A mirror is panned and tilted in the desired position by pan and tilt motors, thereby causing the light beam to move.

Moving head fixtures have the effects and lamp assembly inside the head with transformers and other electronics in the base or external ballast. There are advantages and disadvantages to both. Scanners are typically faster and less costly than moving head units but have a narrower range of movement. Moving head fixtures have a much larger range of movement as well as a more natural inertial movement but are typically more expensive.
The above characteristics are not always static, and it is frequently the variation in these characteristics that is used in achieving the goals of lighting. Stanley McCandless was perhaps the first to define controllable qualities of light used in theater. In A Method for Lighting the Stage, McCandless discusses colour, distribution, intensity and movement as the qualities that can be manipulated by a lighting designer to achieve the desired visual, emotional and thematic look on stage. The McCandless Method, outlined in that book, is widely embraced today. The method involves lighting an object on the stage from three angles2 lights at 45 degrees to the left and right, and one at 90 degrees (perpendicular to the front of the object).

**The lighting designer**

The above elements of lighting are primarily the domain of the Lighting Designer (LD). The LD is responsible for using the principles above to achieve “the lighting look” - using lighting to affect the audience’s senses and evoke their emotions. The lighting designer is familiar with the various types of lighting instruments and their uses. In consultation with the director and the scenic designer, and after watching sufficient rehearsals, the LD is responsible for providing an Instrument Schedule and a Light Plot.

The Schedule is a list of all required materials, including colour gel, gobos, colour wheels, barn doors and other accessories. The light plot is typically a plan view of the theatre in which the performance will take place, with every luminaries marked. This typically includes approximate focus (the direction it should be pointing), a reference number, any accessories required, and the specifics (or channel number) of its connection to the dimmer system or lighting control console.

An LD must be accustomed to working around the demands of the director or head planner. Practical experience is required to know the effective use of different lighting instruments and colour in creating a design. Many designers start their careers as lighting technicians in theatres or amateur theatre groups. Often, this is followed by training in one of the many vocational colleges or universities around the world that offer theatre courses. Many jobs in larger venues and productions require a degree from a vocational school or college in theatrical lighting, or at least a bachelor’s degree.

**Lighting Instruments**

In the context of lighting design, a lighting instrument (also called lumina ire) is a device that produces controlled lighting as part of the effects a lighting designer brings to a show. The term lighting instrument is preferred to light to avoid confusion between light and light sources. There are a variety of instruments frequently used in the theater. Although they vary in many ways they all have the following four basic components in one form or other:

- **Box1 Housing** - metal or plastic container to house the whole instrument and prevent light from spilling in unwanted directions.
- **Light Source** (lamp).
- **Lens** or opening the gap in the housing where the light is intended to come out.
- **Reflector** behind or around the light source in such a way as to direct more light towards the lens or opening.

Additional features will vary depend on the exact type of fixture. Most theatrical light bulbs (or lamps, the term usually preferred) are Tungsten-Halogen (or Quartz Halogen), an improvement on the original incandescent design that uses a halogen gas instead of an inert gas to increase lamp life and output. Fluorescent lights are rarely used other than as work lights because, although they are far more efficient, they cannot be dimmed (run at less than full power) without using specialised dimmer ballasts and they will not dim to very low levels.

They also do not produce light from a single point or easily concentrated area, and have a warm-up period, during which they emit no light or do so intermittently. High-intensity discharge lamps (or HID lamps), however, are now common where a very bright light output is required, - for example in large follow spots, HMI (Hydrargyrum medium-arc iodide) floods, and modern automated fixtures. When dimming is required, it is done by mechanical dousers or shutters, as these types of lamps also cannot be electrically dimmed.
Most instruments are suspended or supported by a “U” shaped yoke, or ‘trunion arm’ fixed to the sides of the instrument, normally near its centre of gravity. On the end of such, a clamp (known as a hook-clamp, C-clamp, or pipe clamp - pipe referring to battens) is normally fixed, made in a “C” configuration with a screw to lock the instrument onto the pipe or batten from which it is typically hung. Once secured, the fixture can be panned and tilted using tension adjustment knobs on the yoke and clamp. An adjustable wrench (US) or spanner (UK) is often used to assist the technician in adjusting the fixture.

All lights are loosely classified as either floodlights (wash lights) or spotlights. The distinction has to do with the degree to which one is able to control the shape and quality of the light produced by the instrument, with spotlights being controllable, sometimes to an extremely precise degree, and floodlights being completely uncontrollable. Instruments that fall somewhere in the middle of the spectrum can be classified as either a spot or a flood, depending on the type of instrument and how it is used. In general, spotlights have lenses while floodlights are lensless, although this is not always the case.

In the UK the nomenclature is slightly different from North America. This article primarily uses the North American terminology. Although there is some adoption of the former naming conventions it has been normal to categorise lanterns by their lens type, so that what in the US is known as a spotlight is known as a Profile or a Fresne V PC (Pebble/plano/Prism Convex) in the UK. A Spotlight in the UK often refers to a Follow spot. The following definitions are from a North American point of view, and would be confusing when used, without further clarification, in the UK.

UK naming conventions are considered to be correct in most of the world, in fact most North American theatres will also use the UK terms except when talking in a more general sense (i.e. get a spotlight to focus on that set piece, or ‘flood this area’). In Australia and many other places, the lamps inside a theatrical fixture are referred to as bubbles. In North American English, a bubble refers to the protrusion that occurs when one’s body (or other oily substance) contacts the lamp.

Oil will cause the portion of the lamp which has oil on it to expand when it is on (lamps generate a lot of heat), creating the bubble, and causing the lamp to explode. That is why one should never directly touch the glass portion of a lamp. Cleaning with rubbing alcohol will remove the oil.

**Lighting Controls**

Lighting control tools might best be described as anything that changes the quality of the light. Historically this has been done by the use of intensity control. Technological advancements have made intensity control relatively simple - solid state dimmers are controlled by one or more lighting controllers. Controllers are commonly lighting consoles designed for sophisticated control over very large numbers of dimmers or luminaries, but may be simpler devices which play back stored sequences of lighting states with minimal user interfaces. Consoles are also referred to as lighting desks or light-boards.

For larger shows or installations, multiple consoles are often used together and in some cases lighting controllers are combined or coordinated with controllers for sound, automated scenery, pyrotechnics and other effects to provide total automation of the entire show. The lighting controller is connected to the dimmers (or directly to automated luminaries) using a control cable (e.g. DMX512) or network, allowing the dimmers which are bulky, hot and sometimes noisy, to be positioned away from the stage and audience and allowing automated luminaries to be positioned wherever necessary. In addition to DMX512, newer control connections include RDM (Remote Device Management) which adds management and status feedback capabilities to devices which use it while maintaining compatibility with DMX512; and ACN (Architecture for Control Networks) which is a fully featured multiple controller networking protocol. These allow the possibility of feedback of position, state or fault conditions from units, whilst allowing much more detailed control of them.

**Dimming**
A dimmer is a device used to vary the electrical power delivered to the instrument’s lamp. As power to the lamp decreases, the light fades or dims. It is important to note that some colour change also occurs as a lamp is dimmed, allowing for a limited amount of colour control through the dimmer. Fades can be either UP or DOWN, that is increasing or decreasing the intensity. Today, most dimmers are solid state, although many mechanical dimmers still exist.

Dimmers are often found in large racks that draw large amounts of three-phase electrical power. The dimmers themselves are often removable modules that range from a 20-amp, 2.4 Kilowatt unit to a 50-amp or even a 100-amp unit. They can often be replaced by a Constant Power Module which is basically a 20or 50-amp breaker in a dimming module casing. Constant Power Modules are used to supply non-dimming current to other electrical devices (like smoke machines, chain winches, or scenic motors). When a Constant Power Module is installed, the corresponding circuit is energised as long as the dimming pack is on, independent of the lighting console.

Increasingly, with the growth of digital technology, modern lighting instruments are available which allow remote control, not just of intensity, but of direction, colour, beam shape, projected image, beam angle and a wealth of other effects. The ability to move an instrument ever more quickly and quietly has become the industry goal. Such automated lights frequently have built-in dimming and so are connected directly to the control” cable or network and are independent of external dimmers.

**Sound**

A sound stage is a soundproof, hangar-like structure, building or room, used for the production of theatrical motion pictures and television shows, usually inside a movie studio. Structures of this type were in use in the motion picture industry before the advent of sound recording. Early stages for silent movies were built with large skylights until electric lighting became powerful enough to adequately expose film. With the corning of the talkies in the late 1920s, it became necessary to enclose the stages to eliminate noise and distractions from outside. Buildings without soundproofing are still referred to as silent stages, and can be used where the dialog and other sounds are recorded as a separate operation, usually by the principal actors doing a synchronised voice over a working “cut” of the film or specialised language actors doing a secondary language dubbing. A sound stage, unlike a silent stage, requires caution to avoid making noise behind the camera.

An enclosed stage makes it easier for the crew of a production to design and build the sets to exact specifications, precise scale and detail. The art director makes an architectural plan and the carpenters build it. After it is painted, the set dresser furnishes it with everything that the set designer, under the direction of the art director, has selected for the interior. The camera can be placed exactly where the director wants it, and achieving the desired lighting is easier because each stage has a metal framework with catwalks and lights suspended from the ceiling. This makes it easier for the cinematographer to have the grips position each flag or bounce and the lighting technicians to position each light to get exactly the right shot.

Though it is an expensive process, working on a sound stage saves time when setting up. As all the scenes can be filmed on the sets inside the sound stage, it also eliminates having to move the production from location to location. Soundstage also refers to the depth and richness of an audio recording (usually referring to the playback process). According to audiophiles, the quality of the playback is very much dependent on how one is able to pick out different instruments, voices, vocal parts, etc. exactly where they are located on an imaginary 2D or 3D field. This can enhance not only the listener’s involvement in the recording but also their overall perception of the stage.

**Event Catering**

Event ranges from box-lunch drop-off to full-service catering. Caterers and their staff are part of the food service industry. When most people refer to a “caterer”, they are referring to an event caterer who serves food with waiting staff at dining tables or sets up a self-serve buffet. The food may be prepared on site, i.e., made completely at the event, or the caterer may choose to bring prepared food and put the finishing touches on once it arrives. The event caterer staffs are not responsible for preparing the food but often help set up the dining area. This service is typically provided at banquets, conventions, and weddings.

Any event where all who attend are provided with food and drinks or sometimes only hors d’oeuvres is often called a
catered event. Many events require working with an entire theme or colour scheme. A catering company or specialist is expected to know how to prepare food and to make it attractive. As such, certain catering companies have moved toward a full-service business model commonly associated with event planners. They take charge of not only food preparation but also decorations, such as table settings and lighting. The trend is towards satisfying all the clients senses with food as a focal point. With the correct atmosphere, professional event caterers with experience can make an event special and memorable. Beautifully prepared food alone can appeal to the senses of taste, smell, and sight - perhaps even touch, but the decorations and ambiance can play a significant part in a successfully catered event. Catering is often sold on a per-person basis, meaning that there is a flat price for each additional person.

However, things like lighting and fire permits are not scaled with the guest count, so per-person pricing is not always appropriate. It is necessary to keep the cost of the food and supplies below a price margin in order to make a profit on the catering. As many others in the food service industry, caterers and their staff work long hours. It is not uncommon for them to work on holidays or 7 days a week during holiday event seasons. A comprehensive, formal full-service catering proposal is likely to include the following elements:

Time-line matters: rental arrival time, staff arrival time, bar open time, meal serve time, bar close time, rental pickup, out-of-venue time. Each of these factors affects the catering price. For example, a rental quote for an “anytime” weekday delivery is usually much more economical than an “exact time” delivery.

General menu cool considerations: Clients may have specific dietary or religious needs to consider. these include Halal, Kosher, Vegetarian, Vegan and food allergy requests. Increasingly clients are interested in food sustainability and food safety.

Hors d‘oeuvres: it should be clear if these are passed or stationary. Most caterers agree that three or four passed items are appropriate for the one-hour period prior to a meal.

Meals.
Rentals: May include tables, chairs, dance floor, plants, tabletop (china, flatware, glassware, linens, chargers), bar glassware, serving equipment, salt/peppers, etc. It should be clear whether table and chair setup and take-down is included. Most rental companies do not automatically include setup and take-down in the rental charges.

Labour: Verbiage varies from caterer to caterer, but generally speaking, an event will have a Lead/ Captain/Event Manager, a Chef, perhaps a Sous Chef or Kitchen Assistant, Wait staff and Bartenders. The labour on a plated dinner is generally much higher than the labour on a buffet, because a plated dinner involves double the china, and usually a minimum of three served courses, plus served coffee. Simply put, there’s a lot more to do. To do it properly requires roughly 10 to 20% more staff. On a large event, this can be substantial, especially if overtime or double time applies.

- Service Charge
- Sales Tax

Some quotes will include lighting, fire permits, draping, floral; valet and coat check many venues discreetly get a “cut” of the catering bill. Caterers are contractually committed to not disclose this fee specifically in their contracts with the clients. Therefore, catering will sometimes cost substantially more at one venue versus another. Also, caterers must compete with illegal operators. A legitimate caterer will have a business license and a health permit both showing the address of the place from which they do business.
Summary

- Staging is the process of selecting, designing, adapting to, or modifying the performance space for a play or film.
- Staging is also used to mean the result of this process, in other words the spectacle that a play presents in performance, its visual detail.
- Set construction is a process by which a set designer works in collaborations with the director of the production to create the set for a theatrical, film or television production.
- The technical director or production manager is the person responsible for evaluating the finished designs and considering budget and time limitations.
- If you will go as an event manager to a venue for inspection you will be shown the venue as an ideal venue for organising your event.
- Event ranges from box-lunch drop-off to full-service catering. Caterers and their staff are part of the food service industry.
- Controllers are commonly lighting consoles designed for sophisticated control over very large numbers of dimmers or luminaries, but may be simpler devices which play back stored sequences of lighting states with minimal user interfaces.
- Soundstage also refers to the depth and richness of an audio recording (usually referring to the playback process).
- A legitimate caterer will have a business license and a health permit both showing the address of the place from which they do business.
- Automated fixtures fall into the moving head or moving mirror / scanner category. Scanners have a body which contains the lamp, PCBs, transformer, and effects (colour, gobo, iris etc.) devices.
- An LD must be accustomed to working around the demands of the director or head planner.

References

- Legacy is important for staging events [Video online] Available at: <http://www.youtube.com/watch?v=RED17N5hExQ> [Accessed 16 June 2013].

Recommended Reading

Self Assessment

1. ____________ is a process by which a set designer works in collaborations with the director of the production to create the set for a theatrical, film or television production.
   a. Set construction
   b. Staging construction
   c. Home construction
   d. Event construction

2. A ____________ is panned and tilted in the desired position by pan and tilt motors, thereby causing the light beam to move.
   a. event
   b. home
   c. mirror
   d. sound stage

3. ____________ is the act of preparing a private residence prior to going up for sale in the real estate marketplace.
   a. Staging management
   b. Home staging
   c. Event staging
   d. Event logistics

4. ____________ Measured in lux, lumens and foot-candles.
   a. Frequency
   b. Velocity
   c. Speed
   d. Intensity

5. ____________ also refers to the depth and richness of an audio recording.
   a. Soundstage
   b. Video stage
   c. Home stage
   d. Event stage

6. Which of the following statements is true?
   a. Staging is not the process of selecting, designing, adapting to, or modifying the performance space for a play or film.
   b. Videostage also refers to the depth and richness of an audio recording (usually referring to the playback process).
   c. An LD must be accustomed to working around the demands of the director or head planner.
   d. The technical director or production manager is not the person responsible for evaluating the finished designs and considering budget and time limitations.
7. Which of the following statements is false?
   a. Event ranges from box-lunch drop-off to full-service catering. Caterers and their staff are part of the food service industry.
   b. Staging event is the act of preparing a private residence prior to going up for sale in the real estate marketplace.
   c. An LD must be accustomed to working around the demands of the director or head planner.
   d. Soundstage also refers to the depth and richness of an audio recording.

8. A ________ caterer will have a business license and a health permit both showing the address of the place from which they do business.
   a. legitimate
   b. staging
   c. event
   d. management

9. ________ are contractually committed to not disclose this fee specifically in their contracts with the clients.
   a. Caterers
   b. Managers
   c. Organisers
   d. Stagers

10. A _________ is a device used to vary the electrical power delivered to the instrument’s lamp.
    a. screw
    b. dimmer
    c. driver
    d. dammer
Event Management Media Sector Case Study

Overview
A large media client had a requirement to manage and deliver a major event which reached all 3000 engineers. This was a completely new initiative, which had never been attempted in the company’s history. The requirement came from internal feedback which highlighted the need to engage with Engineers to help encourage company buy-in, improve motivation, increase staff retention, and to inform about future developments and long term goals.

Activity Schedule
Conference Care met with the client, to gain a clear understanding of their requirements and discuss how these objectives could be carried out in the most cost effective and time critical way. Time frames were discussed, roles and responsibilities of both parties outlined in order to clearly define the schedule of delivery for the entire process.

Production Schedule and Project Plan
After the initial briefing, Conference Care and our Audio Visual partner, MCL started work on project documents and concept visuals in line with the meeting objectives. Event materials and tools were created, which showcased a bespoke “Animated Helix” logo and brand for the events, which became the foundation of all event documentation and created a visual event identity.

The set design was carefully considered, as there were many challenges to overcome: It had to be forward thinking and impactful, as it would be travelling all round the UK over the course of three weeks, flexible and adaptable to ensure it would work in five different venues while giving each Engineer the same quality experience. The final set comprised of a 12metre widescreen, colour matched 1metre high illuminated light boxes and bespoke branded stage furniture and lecterns.

Pre Approval Quotation and Project Plan
Conference Care worked with the client to deliver an event programme that would work on many different levels. By using our knowledge and expertise we made recommendations about venues, location, event logistics, presentation formats & AV requirements. Recommendations were not exclusive to the initial meetings. We understood that no event was the same and the key to success lies in flexibility. We continuously assessed and measured the effectiveness of the events. From the outset we gave advice on suitability of venues, we made suggestions for logistics such as the transportation of delegate literature to each venue, and during the live show days we reviewed all areas to ensure the best experience each and every time depending on venue constraints.

Production Schedules
Conference Care acted as the central point of contact through which all parties could liaise. Our Audio/Visual partner MCL played a major role in the planning and production delivery, with all communication channeled through Conference Care. This was crucial for the client, as it meant that they had a dedicated team of people ensuring peace of mind throughout the duration of the project. Two different production schedules were created, one for the planning stages and the other for the live event. This critical path highlighted all key milestones and deadlines to ensure that everything was in place for the live event. For the live event, an event schedule was created and detailed all of the intricacies that needed to happen from start to finish.

Project Budget Breakdown
A project budget breakdown was created, showing the individual cost of each element, including all of the stage & set equipment for each event. Each of the five events was shown line by line, in addition to a full cost for the entire project allowing complete transparency between Conference Care and client.
Content Budget
We provided cost effective solutions to maximise budgets. For example, local event staff was employed to assist with the live shows, such as stage & set builders and registration staff. When events form a series, cost savings can be achieved on the delegate registration tools where the template is set up for the first event and then developed for the rest of the series. Where possible delegate literature is recycled; badge holders are collected and re-used for both budgetary and environmental reasons.

Creative Input and Maximising Engagement
Conference Care’s team worked with the client to format the events. Our creative input with MCL in designing the show visuals and brand identity was pivotal to the impact of the event and was rolled out across all engineer events. Recommendations were given in many areas including timings, format, including seating arrangements and room layouts. In light of the client’s forward thinking technology ethos, we incorporated state of the art presentation “Spryer Widescreen” technology and “Versatile” Video Panels, mirroring the core company values through to the live event delivery.

Post Agreement
The client employs 3000 engineers, with a UK-wide geographical spread. For the purposes of reaching as many people as possible in the fewest number of locations, the UK was broken down into concentrated regions. The final event locations were Bradford, London, Edinburgh and Birmingham.

Logistical Challenges
We aided the client with the logistics of getting event materials to each of the road shows in a cost effective manner. MCL’s large production trucks were booked for each venue, so we managed the process of having event materials transported and delivered with the rest of the equipment. These ensured things arrived together and were easily traceable without having to locate everything through external courier tracking systems.

Events Cascade and Measurement
After each event, Conference Care held a de-brief meeting. During this meeting we reviewed all elements of the event, including venue, administration, level of service and support. At this stage, delegate feedback was assessed for both future improvements of the event with the client as well as any potential improvements to our overall event management service.

Post event, attendee analysis was undertaken to measure the effectiveness of the day. As well as measuring the effectiveness of the corporate messages the other crucial part was to re-assess engineer morale in terms in improving company buy in, morale, motivation, and staff retention. All criteria had improved beyond expectation, giving the client an exceptional return on investment. Due to these results, the client is planning to roll out these events to other parts of the business and run them on an annual basis to build on the momentum.

Expectations
Conference Care was the key manager and driver in delivery of the engineer road shows, despite working with several different supporting incumbents. The successes of the events were due to us gaining a detailed understanding of the company, the purpose of the event and desired outcomes. Having this knowledge gave us the insight to be able to proactively offer solutions to ensure expectations were met and delivered.

(Source: http://www.conferencecare.com/clients/case-studies/media-sector-case-study)

Questions
1. What is the activity schedule of the media sector?
   Answer:
   Conference Care met with the client, to gain a clear understanding of their requirements and discuss how these objectives could be carried out in the most cost effective and time critical way. Time frames were discussed, roles and responsibilities of both parties outlined in order to clearly define the schedule of delivery for the entire process.
2. What are the Logistical Challenges in the media sector?
   
   **Answer:**
   
   We aided the client with the logistics of getting event materials to each of the road shows in a cost effective manner. MCL’s large production trucks were booked for each venue, so we managed the process of having event materials transported and delivered with the rest of the equipment. These ensured things arrived together and were easily traceable without having to locate everything through external courier tracking systems.

3. Explain about the post agreement?
   
   **Answer:**
   
   The client employs 3000 engineers, with a UK-wide geographical spread. For the purposes of reaching as many people as possible in the fewest number of locations, the UK was broken down into concentrated regions. The final event locations were Bradford, London, Edinburgh and Birmingham.
Case Study II

Raisio plc - Home of the Honey Monster Brand!

The Challenge
Video Production for Internal International Employees

Two years ago Raisio plc, a highly successful food manufacturing firm from Finland bought a UK health food and confectionery manufacturing company based in the North of England. This then led to Raisio’s ultimate acquisition of Honey Monster Foods just outside London – home of the infamous Honey Monster! The task was to produce a film to show to all internal employees across the UK and Finland who Raisio was – and where their own place of work within the new business fitted into the ‘big picture’ going forward.

The Solution
An informative film telling the Raisio story from its inception to present day, showing its growth through acquisition.

The film involved researching and scripting the history of Raisio, from its inception in 1939, showing footage of classic photographs from the original mills to filming manufacturing sites since acquired up to the present day. The voice-over told the story, accompanied with footage we shot in Finland and in the UK – showing all areas of focus of manufacturing from healthy snack bars, cereals and another area of the business, a well known confectionery brand – Foxs of Leicester. We also shot film around the offices, people on the factory shop floors to packers and people in distribution warehouses. The whole intention of the film was to create a ‘feel good’ factor giving viewers the feeling of being part of a large, successful team and having an individual worth to this successful, expanding European company.

(Source: http://www.dfaproductions.co.uk/case-studies.htm).

Questions:
1. What was the status of Raisio plc two years ago?
2. What was the whole intension of the film?
3. What was the basic task of Honey Monster Brand?
Case Study III

Thorn Lighting

The Challenge
New Management Team

Thorn had been through a large management restructure and needed to get all the senior management and senior sales teams together to realign the business objectives and communicate the new visions and key messages.

The Solution
An informative motivational National Conference.

We listened to what Thorn’s requirements were from a communications perspective, then put together ideas and solutions which would actively communicate and realign the messages the management team needed to communicate to their colleagues. We spoke before the event to staff and customers about their experiences of working with Thorn, we then filmed them giving their own personal points of view, giving them quality time in front of the management team without having to be on stage, which produced great results.

DFA organised and ran ‘Switch On’ breakout sessions, Everyone was unified, shared resources, ideas which resulted in a feeling of strong association with the company, the brand and each other.

We closed the event with an awards ceremony gala dinner and team building activities.

(Source: http://www.dfaproductions.co.uk/case-studies.htm).

Questions
1. What was the basic challenge for the Thorn team?
2. What was the solution provide for the problem?
3. What was the role of DFA?
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• TEC Leadership Webinar - Risk Management and Social Media [Video online] Available at: <http://www.youtube.com/watch?v=izvDTib3Dck> [Accessed 14 June 2013].
Recommended Reading

Self Assessment Answers

Chapter I
1. a
2. b
3. a
4. b
5. c
6. d
7. d
8. c
9. c
10. c

Chapter II
1. a
2. c
3. a
4. b
5. d
6. c
7. d
8. b
9. a
10. a

Chapter III
1. a
2. a
3. b
4. a
5. b
6. a
7. a
8. b
9. b
10. a

Chapter IV
1. b
2. c
3. d
4. a
5. a
6. b
7. d
8. c
9. a
10. b
Chapter V
1. b
2. c
3. a
4. b
5. d
6. b
7. a
8. c
9. a
10. d

Chapter VI
1. b
2. a
3. c
4. a
5. d
6. c
7. a
8. d
9. b
10. c

Chapter VII
1. a
2. c
3. b
4. b
5. c
6. c
7. d
8. a
9. b
10. d

Chapter VIII
1. a
2. c
3. b
4. d
5. a
6. c
7. b
8. a
9. a
10. b