

Event Stakeholders

Instructor's Manual

3 Generic Stakeholder Management Strategies

This is the instructor's manual produced to accompany the book *Event Stakeholders: Theory and Methods for Events and Tourism*, by Mathilda van Niekerk and Donald Getz, 2019, published by Goodfellow Publishers Ltd.

This manual and the accompanying illustrations are provided by the authors for the private use of instructors using the book *Event Stakeholders*. All the PowerPoint slides from the book that are line drawings are included in these notes, as they are originals by the authors or have been adapted from the noted sources.

The figures from the text are available for downloading as a PowerPoint file to those instructors adopting the book. Additional graphic material is provided in this manual, but instructors should be aware that using photos and illustrations downloaded from the internet might violate copyright laws, so only use such material in the classroom. PowerPoint slides are also developed for the textbook and can be used by the instructors.

Lecture 5

3.1 Introduction

A planning process is described, then generic stakeholder management strategies. Some of these strategies are iconic within the management literature, and their authors acknowledged as gurus; online sources and illustrations abound. But they all have to be adapted to circumstances, and many planned events are inherently different from the majority of for-profit businesses. A worthwhile discussion to start this chapter would be shaped by the question: "How are events (or sport events, festivals, meetings, etc.) different from other organisations or businesses when it comes to their stakeholders and the stakeholder environment?" This could also be asked for tourism or event tourism.

3.2 Key terms defined

Two of these terms need elaboration.

3.2.1 Event portfolio

In 2019 the book *Event Portfolio Management* (Antchak, Ziakas and Getz) will be available. For now, it is worth emphasizing that portfolio management involves multiple stakeholders in a complex set of goals and relationships, all devoted to maximising the synergistic benefits to be derived from multiple events. All 'eventful cities' are managing portfolios to some degree, and these portfolios can overlap. For example, a portfolio of cultural events might be exploited by the DMO as attractions, and the DMO might have its own portfolio of highly-promoted hallmark and iconic events for tourists. As well, the convention/exhibition centre will have a portfolio of exhibitions and conferences gained through relationship marketing and won through competitive bidding. Then there are sports and private entertainment functions! In other words, the event population of a city can be a complex system of overlapping portfolios involving many stakeholders.

"A full portfolio will consist of various types of events, for different target markets, held in different places, and at different times of the year, in pursuit of multiple goals." (Getz, 2013, p. 23).

"An event portfolio is the strategic patterning of disparate but interrelated events taking place during the course of a year in a host community that as a whole is intended to achieve multiple outcomes through the implementation of joint event strategies." (Ziakas, 2013, p. 14).

3.2.2 KPIs

Key performance indicators are generally employed to measure desired outputs, and for events these are typically quantifiable - such as attendance, money raised, or visitor satisfaction. Also consider Key Impact Indicators (KII) that are used to measure longer-term changes to a system. The book *Event Evaluation* (Getz, 2018) deals mostly with KPIs and the book *Event Impact Assessment* (Getz, 2018) with KIIs.

"A Key Performance Indicator (KPI) is a measurable value that demonstrates how effectively a company is achieving key business objectives. Organizations use key performance indicators at multiple levels to evaluate their success at reaching targets. High-level KPIs may focus on the

overall performance of the enterprise, while low-level KPIs may focus on processes or employees in departments such as sales, marketing or a call center.” Klipfolio Inc. (2018).

3.3 Case study–Aardklop National Arts Festival, Potchefstroom, South Africa

Elmarie Slabbert and Chris de Bruyn, North West University, South Africa

3.3.1 Discuss this key lesson in the words of the authors:

The authors identified five key lessons, each of which is a point of discussion. Ask students to pick out the supporting evidence from the case.

- 1 One can never invest too much time in building stakeholder relationships.
- 2 One can never communicate enough with all your stakeholders.
- 3 LISTEN to your stakeholders and make sure you understand their needs.
- 4 Do not over-promise and under-perform.
- 5 Stakeholder management should be carefully planned and is a critical part of event management.

As an exercise in lateral thinking, ask students to discuss these lessons in the context of another type of events (sport, conference, etc.), for a one-time event, or from the perspective of an external stakeholder.

Lecture 6

3.4 A planning process (Figure 3.1)

All planning-process models are logical, embodying rationality. But in reality there often occurs *irrational planning*, such as when cities bid on mega events they cannot afford without incurring enormous debt. And although a logical planning process should begin with a mandate, vision, goals and strategy - all leading to an action plan, implementation and evaluation - in real life there is usually no specific starting point because organisations and events have history. The best advice is to take what is already known about your organisation/event and its stakeholders and begin a more careful analysis leading to better - and adaptable - strategies. Indeed, the whole literature on strategy makes it clear that slavish adherence to a detailed master plan or strategy is a mistake - you must be adaptable.

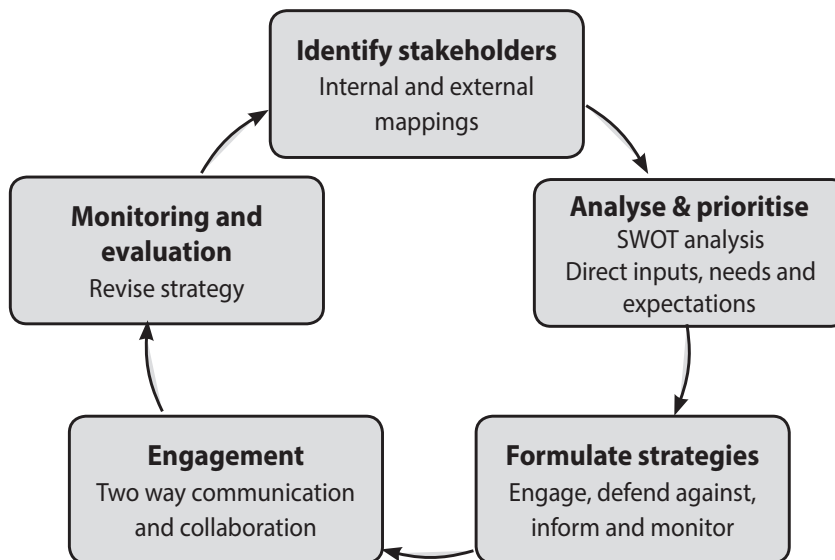


Figure 3.1: Continuous planning process for stakeholder management

Table 3.1 provides a set of questions to ask, and this is a good exercise to perform with a strategic planning group or board of directors. Professional event managers, and CEO's of organisations, should be able to intelligently answer every one of these questions!

SWOT analysis (Figure 3.2) is a standard tool for strategic planning, and can be part of an initial environmental scan. There are two recommended uses, the first being for the traditional, business-oriented competitor scan (i.e., who are our competitors, do we have any relative advantages to exploit or weaknesses to correct, opportunities to seize, and threats to worry about?). A related application of SWOT is to look inwardly, not to competitors, and to evaluate one's own position within given parameters such as your mandate and resources. Illustrated in the diagram is another application that of analysing key stakeholders.

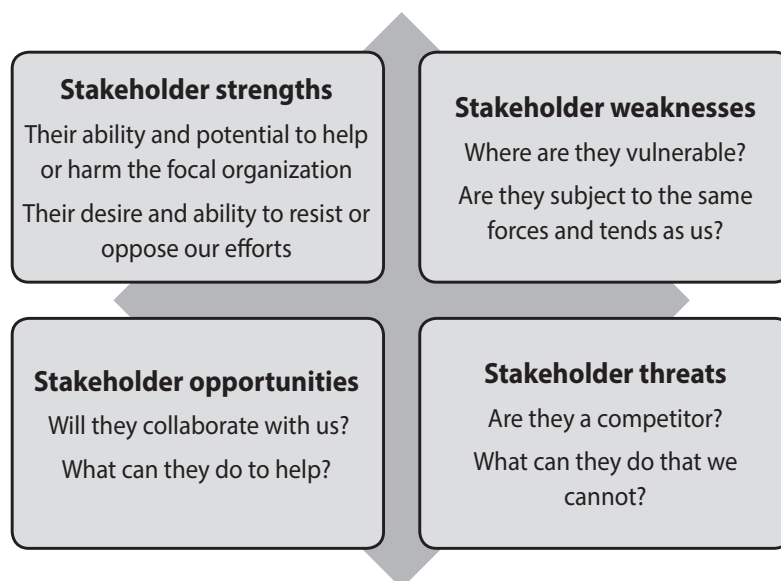


Figure 3.2: Sample SWOT analysis for stakeholders

Stakeholder Mapping: The 'map' can be a simple table or even a sketch on the back of an envelop, but doing a formal mapping exercise has its advantages, mainly in focusing attention on stakeholder types, roles and relationships. In forming and analysing the

map (perhaps prompted by an expert) do not forget to consider power, legitimacy and urgency. Table 3.2 is a starting point and can be used to prompt respondents in an interview or workshop.

The model we provided in the book (Figure 3.3, below) shows simply how lines can be used to indicate the nature or strength of linkages, and this could be combined with a full network analysis.

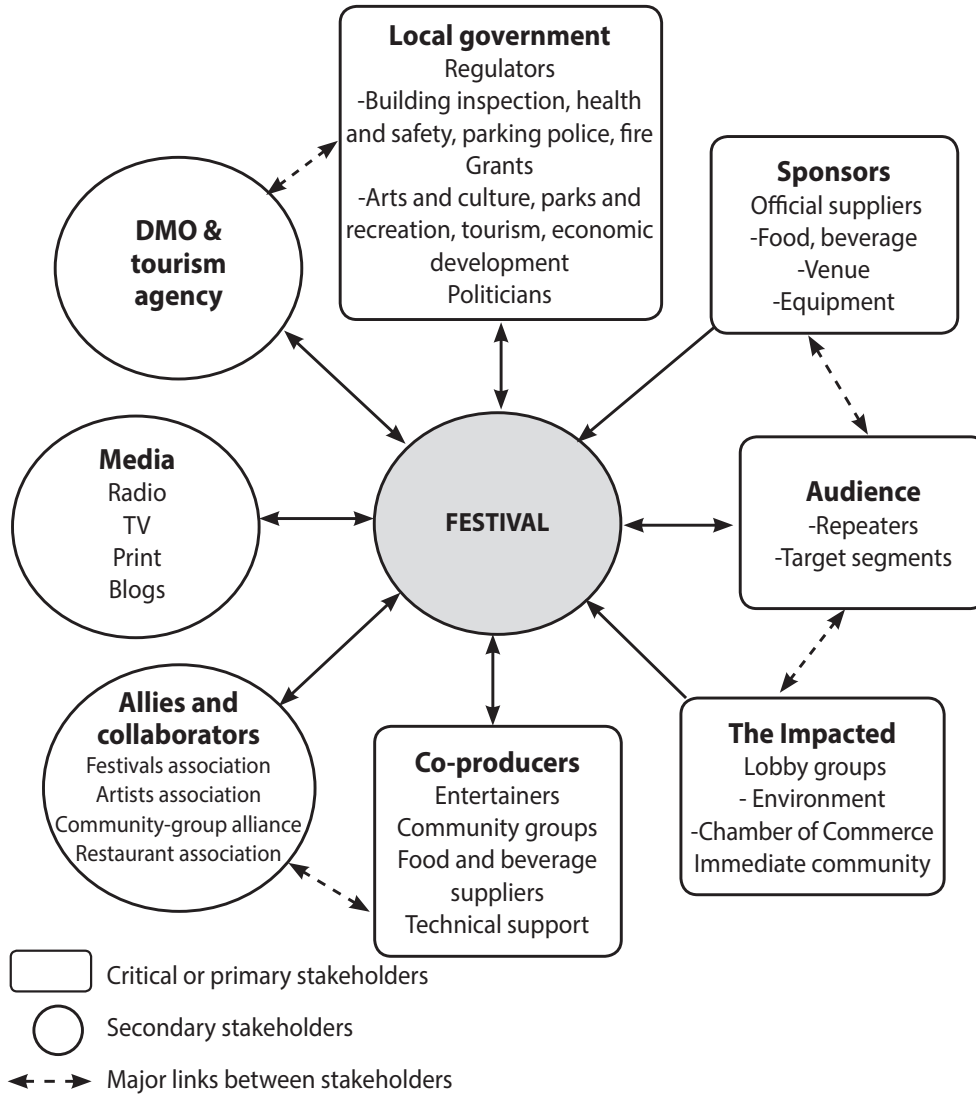
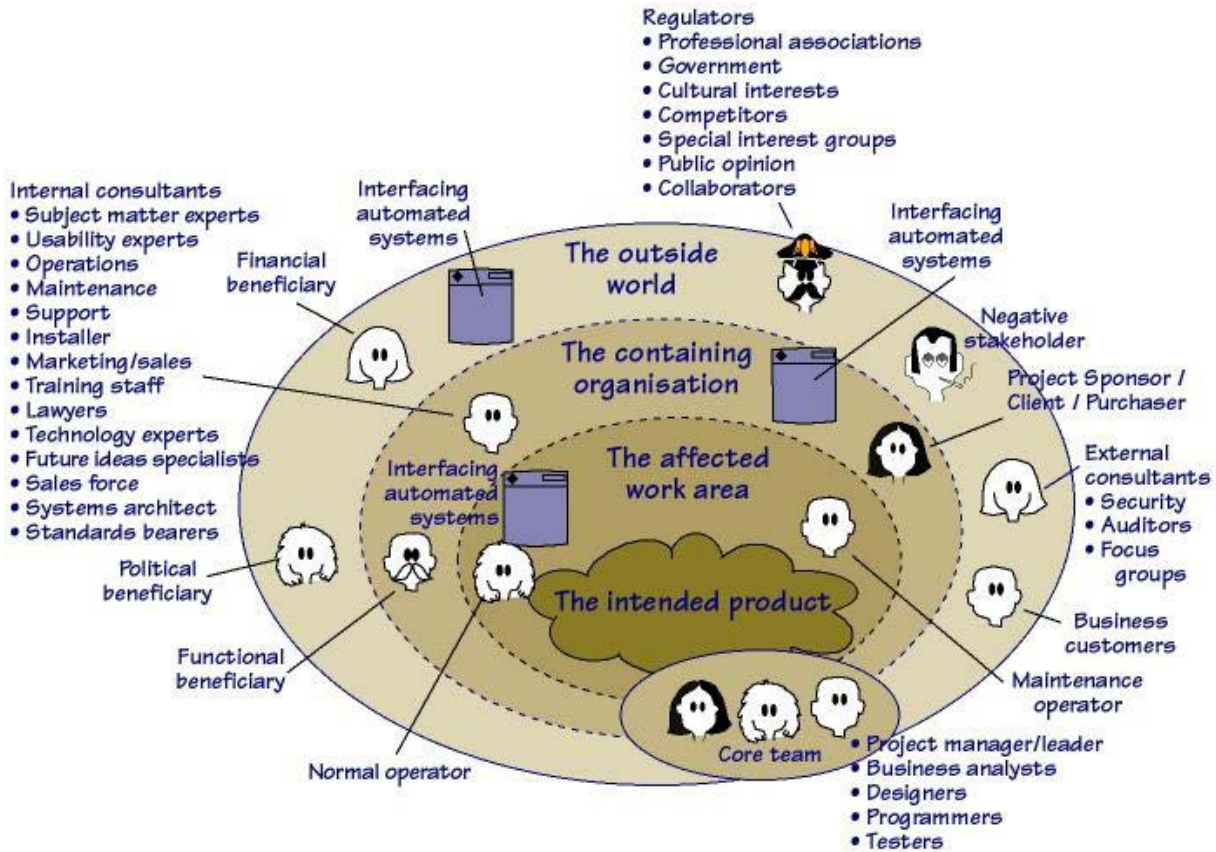
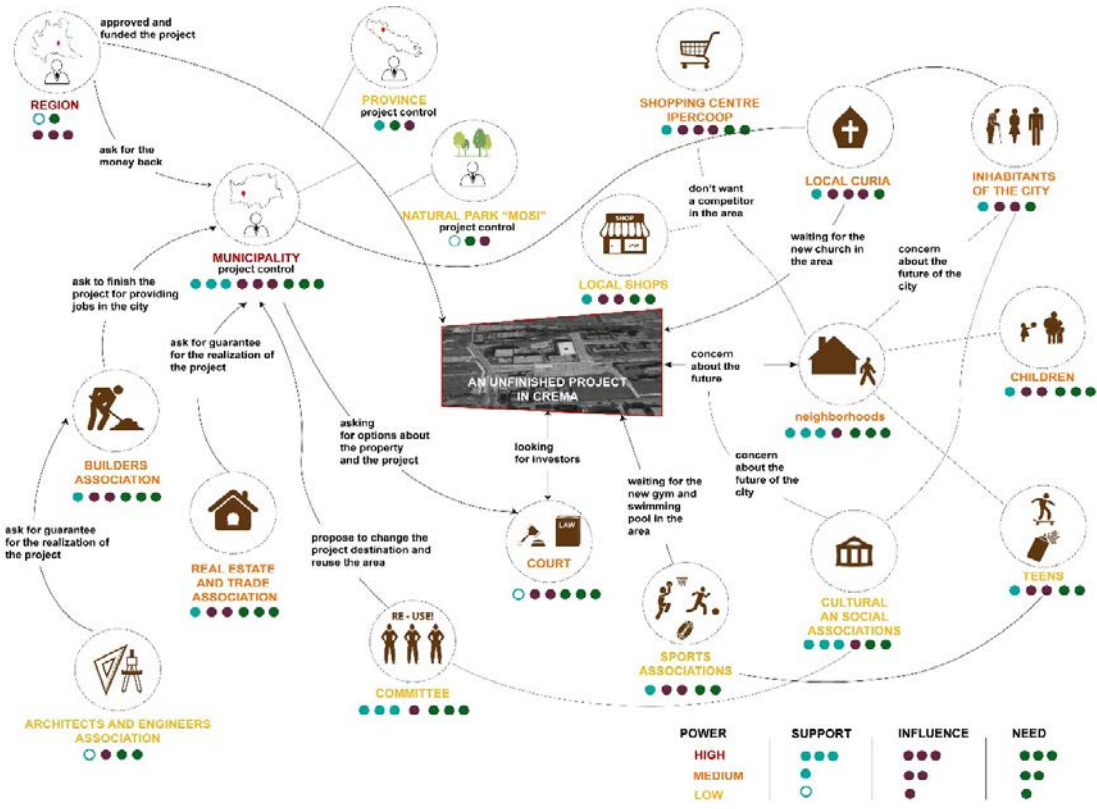


Figure 3.3: Sample external stakeholder map

Below is a downloaded stakeholder map that utilizes a systems model like the one illustrated earlier. But it does not make inter-stakeholder linkages clear.



Here is another illustration, regarding an unfinished project somewhere in Italy. This map looks like a *mind map*, for which a lot of software is available, and it explicitly incorporates symbols for power, support, influence and need. Inter-stakeholder linkages are indicated. Inserted text suggests relationship issues, and that makes it a useful tool in impact-assessment consultations as well. The little pictures are a feature of many mind-maps, and they can serve as symbols of complicated issues.



3.5 Formulating strategy

The various matrix models, shown in sequence below, provide advice on how to develop strategies, as well as classifying stakeholders. First is the original Savage et al. model (1991), followed by our adaptation from the book (Figure 3.4). There are no right or wrong classifications or strategies, and every guru has their own approach, but the point is to consider what is appropriate or necessary in each given context.

MANAGING THREATS AND CO-OPERATION (Savage et al, 1991)

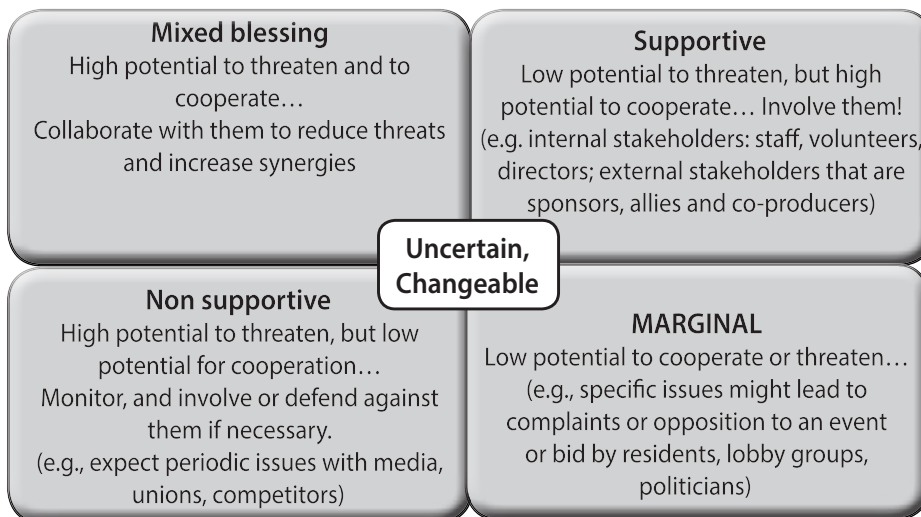
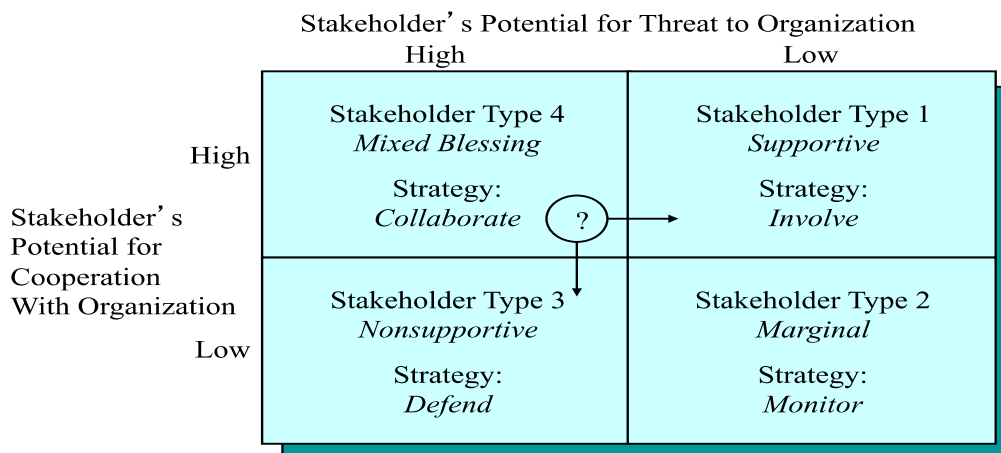


Figure 3.4: Mapping stakeholder's relative importance for the organization. Source: Adapted from Savage et al. (1991)

A variation is the matrix by Winch, with the first diagram suitable for initiating stakeholder mapping and analysis (Figure 3.5) and the second diagram (Figure 3.6) more for strategy formulation.

		Name of stakeholder	Number of stakeholders
Internal	Demand Side		
	Supply Side		
External	Private		
	Public		

Figure 3.5: Identify stakeholders for the organization. Adapted from Winch (2004)

		Low	Level of interest	High
Power to influence	Low	A Monitor		B Keep them informed
	High	C Satisfy their needs		D Fully Engage

Figure 3.6: Mapping stakeholder's relative importance for the organization. Adapted from Winch (2004)

Our blended strategy matrix in the book (Figure 3.7) puts a category in the middle for the unknown stakeholders or the ones with mixed indicators of collaboration potential and the ability to influence the event through power. Some general advice, for not-for-profits in particular, is to always look for collaborators, even if they might appear to be competitors.

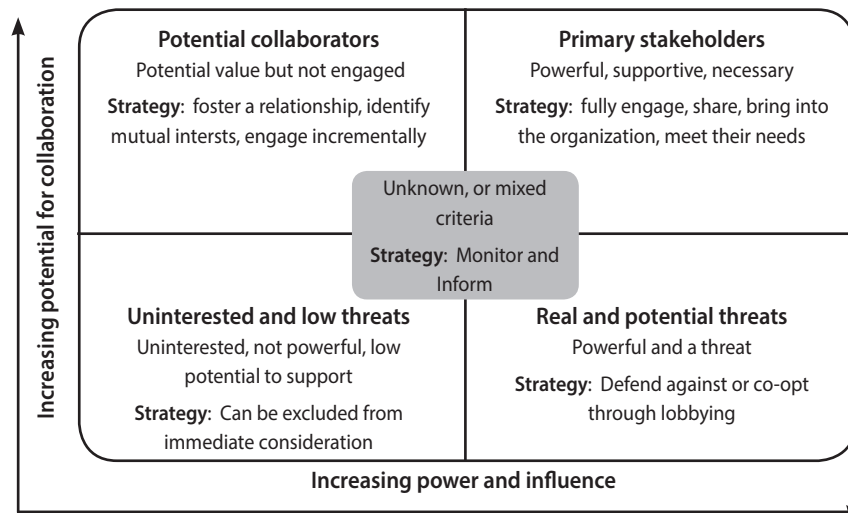


Figure 3.7: A blended strategy matrix for stakeholder management

The final discussion in this chapter is of stakeholder contracts - not just the kind you make with suppliers, but the formal (i.e., in writing is preferred) agreements made among stakeholders. Remember, collaboration entails uncertainties and risks.

Recommended additional readings and resources

Freeman, R. (2010). *Strategic Management: A stakeholder approach*. Cambridge MA: Cambridge University Press.

This is a classic, for those wanting to get into the mainstream literature.

Ziakas, V. (2013). *Event Portfolio Planning and Management: A Holistic Approach*. Abingdon: Routledge.

This book introduces event portfolios, but a companion book in this series (for publication in 2019) will cover theory, method and practice in detail. Event portfolio management involves many stakeholders, depends upon collaboration, and presents a dynamic environment for strategists.

Assessments

From the text: "Look up a website of your favourite international event and familiarize yourself with the event goals, objectives, target audience, and other characteristics. Draw a stakeholder map and discuss what strategies would work best to gain support from each stakeholder category." Not all event websites will provide information on stakeholders, so the point in those cases is to deduce stakeholders from the information that is provided. This exercise could be done more fully in conjunction with event professionals.

Sample short-answer questions:

- ◆ Define these terms: 'event portfolio'; 'focal organization'; 'KPI'; 'KII'; 'stakeholder map'; 'SWOT'.
- ◆ What is the purpose of a 'stakeholder contract'?

Sample long-answer or essay questions:

- ◆ How are stakeholder maps useful in diagnosing stakeholder issues and in formulating strategy? What questions will you ask of informants, both internal and external to the focal organization?
 - The answer should focus on the process of stakeholder mapping, which could be done through observation, but is best done through consultations with key informants. A sample map could be required, but is not necessary the way this question is phrased. A complete answer must address both issues and utility for making strategy. The required list of questions should get at both: what issues are you facing, and how are relationships being managed? What are the possible solutions? See Table 3.2 for questions. The case study will help with the internal/external.
- ◆ In classifying stakeholders how are 'legitimacy, power and urgency' defined and measured? Frame your answer in the context of a specific type of event.
 - These terms could each be the focus of a question. Each has to be defined. By framing the answer with a type of event, it should be possible to show how legitimacy, power and urgency are measured contextually.
- ◆ How can SWOT analysis be used to help develop strategy for a specific stakeholder? Give an example of the information the diagram will portray.
 - The competitor SWOT provides an overview relative to possible competitors, whereas one stakeholder (or type) can be the focus.
- ◆ What are the possible generic strategies in stakeholder management, relative to a stakeholder's potential to threaten or collaborate? Draw a matrix to show how this analysis works.
 - Our blended strategy matrix (Figure 3.7) is a possible starting point for this answer, but there is lots of advice mentioned from different authors. We take the position that pursuing collaboration is a much more useful strategy than defending against competitors or threats, but of course the context will be important. As shown in Figure 3.7, there will always be uncertainty, and the environment will be dynamic, so it is not always possible to be definitive about strategy.