

Cases for Event Management and Event Tourism

Questions and answers for analysis

Chapter 1

These sample Q and A can be incorporated in lectures, with discussion, or as exam questions specific to this case:

Q1: Referring to this case and previous published material on TransRockies, how would you describe the company's positioning, main value proposition, its core competencies, and its target markets?

TransRockies positions itself as the producer of challenging participation sport events, running and cycling in particular, and as an experienced, reliable manager of similar events for clients. The company's main value proposition is described by Aaron McConnel as: "create a more immersive and social experience for participants." Core competency for private companies is equivalent to the expertise demonstrated, and services offered, that yield competitive advantages. In other words, what they do best. This case describes several competencies, from the intangibles related to entrepreneurship, such as commitment and enthusiasm, to the expertise of the staff for the sports events they produce. Target markets vary, but the profiles given here and previous related publications provide answers.

Note the gender differences between running and cycling, and the fact that participants in these endurance, multi-day events are older, better educated and wealthier than the average runner or cyclist. All these points can be elaborated upon by consulting the company's website and finding participant-generated comments.

Q2: In terms of planning and decision-making, what are key differences between for-profit and not-for-profit (or public) events?

There are generic stages in all event planning processes, from concept creation to post-event evaluation, but the TransRockies case identifies several key differences. First and foremost is the detailed consideration of risk and reward, as the company must achieve overall profitability. Maintaining a portfolio of events shields the company from disaster if one event fails. Also, the company's business model is quite different, being profit-motivated, and these differences are manifested in the production of events that will be in demand by known consumer segments, as well as in the management of events, for fees, that can generate profits and goodwill. Goals and objectives follow from these fundamental differences. For example, public-sector and not-for-profit event organisations are mostly service oriented, placing need ahead of economic demand when planning for new events. The importance of go/no-go decision points is more critical in the private sector, as there is the risk of taking major financial and reputational losses if events are postponed or cancelled.

Q3: (this is the core question for a debate) Was it a sound decision to plan and produce a new event in the middle of a pandemic? What are the arguments for and against launching Gravel Royale? Make recommendations, including specifying alternatives.

The 'for' side can easily argue that the company made a sound decision, despite the risks and setbacks, for several reasons:

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- ◆ Their core competence (lots of experience in cycling and in producing and managing events in general); this reduces risks and increases the likelihood of eventual success
- ◆ Staff were available, as all other events had been postponed; this was better than shutting down and potentially losing valuable human resources
- ◆ Gravel racing was a growing sport; early entries would have an advantage
- ◆ TransRockies had a strong position in the marketplace, with detailed knowledge of their loyal customers

The 'against' side can argue several strong points:

- ◆ The pandemic was a 'worst case scenario' that imposed great uncertainty on the economy, and especially leisure, tourism and events. It was not the time to take big risks.
- ◆ Structural changes might occur because of the pandemic, making assumptions about future demand invalid; it was a time to wait and see.
- ◆ Because new investment was required just to keep the company afloat, instead of committing resources to a new venture it would have been safer to focus on opportunities that did not require commitment to future spending. Instead, a focus on maintaining existing customers and stakeholder relations (especially sponsors) would have been wiser.

Q4: What exactly were the risks taken by TransRockies, and what risk-reduction strategies would you recommend for the planned Gravel event?

One common characteristic of entrepreneurship is risk taking, and although it is not confined to the private sector, there are major differences in both the nature of the risks taken and the potential consequences when private companies are compared to not-for-profits and the public sector. For example, when a private company faces costs or debts it cannot pay, bankruptcy and termination of its events is a likely outcome. Public financing of events is a political matter, and politicians might be very reluctant to allow events (and venues) to fail. Not-for profit event producers may be able to continue producing events on goodwill alone – that being derived from the benefits they generate for communities and companies alike, allowing them to take on debt with the hope of future financial viability.

In this TransRockies case, students should identify the nature of the risks taken and the potential consequences when formulating their arguments and recommendations. Types of risk can be enumerated: who will lose money and/or reputation if the event is not produced, or has to be cancelled/postponed? What exactly must be financed prior to launching a new event? (i.e., time spent by staff, retaining suppliers and venues, marketing costs). Students should also consider how money is raised by taking fees prior to an event (much as one has to pay for an airline ticket in advance) and whether that money is placed in reserve or spent in preparing for the event. Students might very well have experienced a situation where an event was cancelled (usually because not enough tickets were sold in advance, sometimes because of unforeseeable circumstances such as illness). Did they get their money back?