

Block

2

**EVENT PLANNING PRE-REQUISITES
(REGULATORY AND COMPLIANCE ISSUES)**

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INTRODUCTION TO BLOCK 2

This is a brief introduction to Block 2, of Course 2 titled Event Planning. In Block 1, we had learnt in detail about event opportunity assessment. This Block titled 'Event Planning Pre-requisites (Regulatory and Compliance Issues)' discusses about the laws, contracts, risks and risk management process related to event management. These pre-requisites should be dealt with at the planning stage itself.

Unit-5 which is the first Unit of this Block, emphasizes the importance of laws and regulations in event management keeping in view the importance of understanding and abiding by laws in the event industry that is growing rapidly. The actual laws related to event management vary from one country to another, and sometimes vary between different regions in the same country.

Unit-6 underlines the definitions, elements and components of a contract which is a legal document stating expectations of the involved parties and helps to resolve problems. Besides discussing the process of contract development for event management, the Unit also explains contract management process.

We further move on to Unit-7 and Unit-8 in which the risks associated with events and management of risks have been discussed. The Units discuss elaborately on the norms, policies and management process of risks. Norms and policies help the event organizers, local authorities and emergency services to coordinate their efforts towards better event safety. After learning about the norms and policies the event manager has to identify and classify risks for assessment. Anticipating and planning for risks beforehand will help the event manager in advance on how to handle risks and safety issues.

UNIT 5 LAWS, PERMITS AND LICENSES IN EVENT MANAGEMENT

Structure

- 5.0 Objectives
- 5.1 Introduction
- 5.2 Laws Related to Event Management
- 5.3 Licenses and Approvals
- 5.4 Permissions and NOC
- 5.5 Let Us Sum Up
- 5.6 Keywords
- 5.7 References and Suggested Readings
- 5.8 Check Your Progress - Possible Answers

5.0 OBJECTIVES

Every event is an experience that is carefully designed to deliver an impact on the audience. With each passing day the number of events being professionally managed is increasing. Thus, there is a growing need to regulate events and event companies. While we understand that laws, rules, regulations are created to protect people, to enforce rights and to solve conflicts; breaking them or not following them leads to a punishable offence. In this Unit, we will study the laws associated with event management, licenses, permits and no objection certificates from different agencies. After reading this Unit, you should be able to:

- Learn about various laws influencing event management;
- Become familiar with different licenses required during event execution; and
- Understand the permissions and NOCs required to be obtained.

5.1 INTRODUCTION

Organizing an event is a huge task. It takes months of planning, fund raising, coordination, and networking. There are unprecedented heights of customers' and other stakeholders' expectations. Hence majority of the activities at the event are outsourced for proficiency. In the light of these, it is very essential to discuss legal issues which are of concern to the entrepreneurs in the field of event industry. These primarily consist of Goods and Services Tax (GST), government permits and licenses. The documentation work is in the form of approvals or NOCs (No Objection Certificates) from different departments. To ensure the smooth running of an event, the event organizers must make sure that all legal procedures are followed.

This Unit will help in understanding the basic rules and regulations which are necessary to satisfy authorities such as local government, police, and the department of the environment while organising an event. The laws are intended

to prescribe guidelines for event organisers to ensure that venues and event activities are safe and do not disturb neighbouring community. These make events safer, identify basic standards necessary to satisfy authorities and provide a consistent approach to events at the state level. However, rules and regulations must be interpreted keeping the size and complexity of the event in consideration so that appropriate information is utilised from the guidelines.

Many times the venue owner provides event organisers with the list of licenses, which they need to obtain before the event begins. Each event has its own set of activities and requirements. Therefore approvals required will depend upon the type of event. Event organisers must visit the local authorities to determine the required permissions in the area for the event. When the event is to happen in an area or a premise that has a permanent approval for events then the number of approvals required by event organisers reduces. However, risk management and other matters outlined within these guidelines still need to be addressed.

5.2 LAWS RELATED TO EVENT MANAGEMENT

Venue / Property related Laws

The selection of venue is influenced by many factors. Event planners have to select a venue which perfectly matches with the needs of the event to be hosted. However, to hold an event at the selected venue needs either buying or owning the venue or acquiring it for the purpose of holding an event there. It has been observed that the most popular mode of gaining access to event venue is by acquiring it. However, here we will briefly study about three modes to get a venue for hosting an event and the laws related to them.

- 1) ***Owning a Property for hosting an event through Sale*** - Section 5 of the Transfer of Property Act 1882 describes the term sale as a transfer of ownership in exchange for a price paid or promised or part paid and part promised. A sale of immovable property for value more than INR 100 can only be made through a registered instrument which in normal terms is known as a sale deed. The essential elements of a sale are:
 - Parties : Normally there are two parties - a buyer and a seller.
 - The subject matter: The subject matter is the land / venue for hosting the event.
 - The transfer of conveyance: There are two recognized modes of conveyance, the delivery of possession and registration of sale deed.
 - The sale price or consideration: The price is the essence of the contract of sale and unless the price is there the contract of sale cannot be enforced under law.
- 2) ***Acquiring access to property to hold an event through License*** - According to the Indian Easement Act 1882, a license is when one person grants to another, or to a definite number of other persons, a right to do, or continue to do, in or upon the immovable property of the grantor, something which would, in the absence of such right, be unlawful, and such right does not amount to an easement or an interest in the property. This right is called a license. So an event planner has to seek license from the owner of the property

to use the venue for hosting the event. Here it is worth mentioning that it is the duty of the event manager to ensure that the venue which s/he has hired for hosting the event is as per the needs and demand of the event.

- 3) ***Acquiring access to property to hold an event through Lease - As per the transfer of Property Act 1882*** - A lease of immovable property is a transfer of a right to enjoy such property, made for a certain time, express or implied, or in perpetuity, in consideration of a price paid or promised, or of money, a share of goods, service or any other thing of value, to be rendered periodically or on specified occasions to the transferor by the transferee, who accepts the transfer on such terms.

Lessor, lessee, premium and rent defined: The transferor is called the lessor, the transferee is called the lessee, the price is called the premium, and the money, share, service or other things to be so rendered is called the rent.

Usually event managers holding events of similar nature apply for a lease of the venue for a certain period. They enter into an agreement with the owner for the lease of the venue. Event managers who host events like marriage parties, fundraising, gala dinners, birthdays, weddings, and anniversaries, take lease of venues like lawns and marriage halls for conducting these ceremonies.

It is the responsibility of the event company to find out and comply with all pertinent rules, regulations and license requirements. It is worth mentioning that the event managers must make it a practice to pay particular attention to work place health and safety regulations.

Some of the relevant regulations which a public event must comply during build-up or break down of the venue as per event requirements are:

Environmental Protection Act, 1986

It is often seen that big events pose threat to the environment and to the people living in vicinity. There are dangerous risks of pollution, spills, effluent leakage and of some indirect concerns like wastes and garbage disposal of the event. Some events like festivals and 'melas' (fairs) create a lot of pollution which may be harmful to the environment as well as dangerous to people. In such cases any event organized by a professional event manager should comply with the provisions of Environmental Protection Act, 1986, with respect to water pollution, noise pollution, air pollution etc. It should be the duty of the event manager to take proper care that events which pollute the environment such as burning of effigies in 'Ramlila' festival and submerging effigies in water during 'Vinayak Chaturti' festival must not cause damage to land, water and air leading to pollution and affecting people.

Pollution Check Measures: There are certain guidelines given by the environmental committee which need to be followed by the event manager before hosting an event. These guidelines can be procured from the respective police units; for example in Delhi it is the Delhi police unit. Here the event manager needs to obtain a permit from the licensing unit of the Delhi police before organizing an event which has threats to the environment.

The Noise Pollution (Regulation and Control) Rules, 2000

Regulating and controlling noise producing sources is necessary to maintain the ambient air quality standards with respect to noise. The contributors of noise levels in public places are from sources such as industrial activity, construction activity, generator sets, vehicular horns, loud speakers, public address systems, music systems, and other mechanical devices. Since increasing noise pollution has harmful effects on human health and the psychological well being of people, the government makes rules for regulating and controlling noise pollution. For example, a loud speaker in public event or a public address system can only be used after obtaining permission from the authority. It is mostly not allowed to be used at night (between 10:00 pm to 6 am), except in closed premises, for communication within for example auditoria, conference rooms, community halls and banquet halls.

Electricity Regulation Act

The act consolidates the laws relating to generation, transmission, distribution, trading and use of electricity. This also enables the regulators to take measures conducive to development of electricity industry, promoting competition therein, protecting interest of consumers and supply of electricity to all areas, rationalization of electricity tariff, ensuring transparent policies regarding subsidies, promotion of efficient and environmentally friendly policies and for connected matters. States may vary from each other when it comes to transmission, distribution, use of electricity and electricity tariff. The event organiser must collect thorough information on these aspects when organising events in different states or nations.

Building Regulations Act

Building Regulations is a set of rules that specify the minimum standards for constructed objects such as buildings and non-building structures. The prime objective of these regulations is to protect public health, safety and general welfare in the context of the construction and occupancy of buildings and structures. Regulations also provide specific requirements applying to special construction objects such as canopies, signs, pedestrian walkways, parking lots, radio and television antennas and minimum standards for sanitation, water supply, light, ventilation, fire prevention and control, energy efficiency, stairs and halls, mechanical, electrical, plumbing, site drainage and storage, appliance, lighting, fixtures standards, occupancy rules, swimming pool regulations and so on.

Fire Precautions Regulation Act

The act deals with safety from fire. It specifies the demarcation of fire zones, restrictions on construction of buildings in each fire zone, classification of buildings based on occupancy, and types of building construction according to fire resistance of the structural and non-structural components. The act also deals with other restrictions and requirements necessary to minimise danger to life from fire, smoke, fumes or panic before the buildings can be evacuated. The event organisers must keep all these specifications in mind while constructing the event premise. Also, the fire protection techniques have to be based on the fire behaviour characteristics of different materials and structural elements used in venue designing.

Goods and Services Tax (GST)

The Goods and Service Tax (GST) in India was introduced on 1st July 2017. After the introduction of GST, the entire tax legislation has undergone a paradigm shift. Former taxes levied by central and state government including - value added tax (VAT), service tax, excise duty, additional custom duty tax, state level entertainment tax, entry tax and surcharges have now got subsumed (included) into the GST legislation. However customs duty collected by the Central Government on import of goods into India and entertainment tax levied by local bodies (such as panchayats and municipalities) continue to remain outside the ambit of GST legislation and shall be applicable as separate levies, over and above GST. The GST bill has a four-tier structure, namely 5 per cent, 12 per cent, 18 per cent and 28 per cent. This means that tax will be levied at rate baskets ranging from 5 to 28 per cent. Events come under GST legislation as they are classified as a supply service under GST.

The GST has the following implications on the event industry:

- Sponsorships which form a significant chunk of revenue generation for any event is subject to GST under the reverse charge mechanism.
- The event organiser has to specifically obtain GST registration to incur location-specific expenses in the state where the event will happen and such expenses will take place.
- For mega event companies, overall, GST has a positive impact because the entertainment tax on events has got subsumed in GST. For example, earlier when one was watching an IPL match, s/he was paying 25 per cent entertainment tax and 15 per cent service tax; this was almost 40 per cent on the ticket price. However, with GST, it will go down to 28 per cent.
- Most of the third party services have been capped at 28 per cent tax which will free the MICE Industry of India from the burden of multiple taxation systems.
- Credit of GST levied on supplies of food and beverages and outdoor catering, beauty treatment services and rent a cab is specifically disallowed under the GST legislation, eventually resulting in cost inflation for event organizers.

Local Body Entertainment Tax (LBET)

With the introduction of the GST legislation, entertainment tax levied by the states has been subsumed into GST legislation. However, the entertainment tax to the extent levied and collected by local bodies such a panchayats and municipalities has been kept outside the purview of GST.

Therefore LBET shall continue to apply as a supplementary tax over and above GST. LBET shall be levied on amounts charged for allowing entry into the place where the entertainment is being held. Entertainment tax rates on events differ from state to state, as legislations governing the entertainment tax law differ from state to state.

How to Meet GST Compliance?

According to Ernst & Young, and the Event and Entertainment Management Association (2017), some key things to be done by event organisers to meet the GST compliance are as follows:

**Event Planning Pre-requisites
(Regulatory and Compliance
Issues)**

- Register under GST and enable / assist key vendors also to register, so they can avail input credits and keep costs lower.
- Update accounting systems to enable purchase invoice entry and sales invoice processing.
- Revise formats of all the documents such as invoices, goods, transfer notes and reimbursement slips to accurately capture GST elements and amounts.
- Evaluate each event being conducted across different states to determine the need for local GST registration, local sourcing and / or change in agreement terms with clients or vendors.
- An important factor for marketers when selecting event and activation vendors is event companies following the GST well.
- Explain to potential clients the benefits of sourcing from event companies rather than directly sourcing elements of each event. e.g. venue cost and stage set up.
- Ensure that vendors are updating their sales transactions in a timely manner and paying taxes on the transactions within the stipulated timelines.

Customs Duty

Customs duty is levied on import of goods into India. Events such as exhibitions and musical shows entail import of various goods into India. All imports are liable to customs duty depending upon the description of the product and its classification under the internationally accepted classification nomenclatures.

Civil and Tortuous Liability and Related Laws

Duty of care: It is a fundamental legal principle which normally applies to all events, of taking reasonable care to avoid acts or omissions that could injure employees, contractors, users, participants and visitors. This is called the duty of care and is covered by the area of law known as ‘torts.’

Torts as we understand are a breach of duty owed to other people and imposed by law, and in this it differs from the duties arising from contracts, which are agreed between contracting parties. Unlike criminal law, which is concerned with punishment and deterrence, the law of torts is concerned with compensation.

In the context of event management duty of care means taking actions that will prevent any foreseeable risks of injury to people who are directly affected by, or involved in the event. This would include the event staff, volunteers, the performers, the audience or spectators and the public in the surrounding areas. It is the duty of the event manager to take essential care of the event stakeholders and any breach of such duty because of which any person or persons suffer damages, may result in negligence on the part of the event coordinator. The duty of care towards stakeholders is not only a moral duty but also a legal duty.

The law of torts in India says that if the person (here the event coordinator) at the time of the act or omission of the act could reasonably foresee any injury to her / his stakeholders, then s/he owes a duty to prevent that injury and failure to do that makes her/him liable. In India to decide culpability we have to determine what a reasonable person would have foreseen and thus form an idea of how s/he

would have behaved under the circumstances. Thus any negligence by the event coordinator which results in injury, and could be foreseeable but the coordinator showed lack of observance of duty of care, will make her / him liable for the damages.

Health and Safety at Work

Health and safety of the employees is a key factor in any organisation. It ensures smooth functioning and effective output at the organizational level. Such an act allows creating an accident-free industrial environment. The organizations giving adequate attention to safety measures and welfare of the employees are able to yield high returns by improving employee morale, reducing absenteeism and enhancing productivity, minimizing potential of work-related injuries and increasing the quality of manufactured products and rendered services.

Developed countries like U.K. have placed in position umbrella legislation and an apex institution to cover health and safety of workers in all the sectors and have devised sound mechanism for achieving significant development results. The broad objectives of the Health and Safety at Work Act (1994), U.K., are stated as follows:

- Securing the health, safety and welfare of persons at work.
- Protecting persons, other than persons at work, against risks to health or safety arising out of or in connection with the activities of persons at work.
- Controlling the keeping and use of explosive or highly inflammable or otherwise dangerous substances, and generally preventing the unlawful acquisition, possession and use of such substances.
- Controlling emission into the atmosphere of noxious or offensive substances, which comes under the Environmental Protection Act 1990.

It is imperative that India also adopts a similar approach within a compressed time frame. However, currently there is legislation on occupational health and safety which is applicable to factory workers and few other labour reforms. Meaningful legislations and institutions need to be placed in position to ensure safe and healthy working conditions for the working population everywhere in the country and also for the public in general.

Check Your Progress I

Note: Use the space provided for your answer

1) Name the different laws pertaining to Event Management. Write about any two laws in detail.

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2) How does the Noise Pollution (Regulation and Control) Rules, 2000 impact the execution of event?
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3) What is GST? Give any two implications that GST has on the event industry.
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5.3 LICENSES AND APPROVALS

Intellectual Property Rights (IPR)

Intellectual Property as we understand is a property that is the creation of human mind. It is a property created by the intellect of a human being. Every human being has a right over her / his property, to use it or to restrict it from being used by other person. The laws related to IPR need to be considered in events especially for the following:

- 1) To play music: An event manager needs valid licenses and permissions to play music especially by live performers. In case one does not have a valid license from an authorised organisation to play their music, an event can be sued under IPR laws.
- 2) Use of trademarks and logos: Under Trademarks act, the registered logos and trademarks cannot be used in any event without prior permissions.
- 3) Use of Designs and Art work: The copyright Designs and Patents Act ensures that patented designs (any type) cannot be used by any other person.

Any company owning any logo or trademark sign would like to protect its claim and would not like it to be used by others. The protection of trademark ownership

is generally covered within legislation, including Trademarks Act, the Copyright Designs and Patent Act. The legislation prevents any other party from the use of logo, motto and related word by another party without the owner's permission. It is quite expected that the event company should be aware of the risks of misrepresenting their event. When an event is promoted with its exaggerated benefits, there is always a threat of legal action taken by unhappy consumers because of advertising for an event which made false claims.

PPL (Phonographic Performance Limited) License

The law protects music rights in different ways. This means that businesses and organisations playing recorded music in public (whether live or via CDs, radio/TV broadcasts, background music systems or other sources) will usually need to obtain PPL. The license allows the event organisers to use other artistes' music with freedom at the event. Playing music in public without the appropriate licenses in place is copyright infringement and is unfair to the members (performers, record companies, songwriters, composers and music publishers).

IPRS (Indian Performing Right Society Limited) License

This license is required for playing / performing non-recorded music in public. It is a license 'for the artists, of the artists.' For instance, in India, when a popular artist performs live, the event will require an IPRS license. Also, the artist needs to be a registered member of IPRS. Unlike PPL, IPRS issues licenses to the music users. It collects royalties for the artists, from the artists on behalf of its registered artist members (such as lyricists, composers, publishers and performers of music) and distributes the royalty to the music owners / members.

Excise License

Excise license is the license which the event organizer needs to procure in order to serve alcohol in a live or recorded music event in India. However, when the event is organized at an 'alcohol on-licensed premise', the organizer is not required to procure the license. In excise license, apart from obtaining the license the event organizer is also required to ensure that the event attendees are of legal drinking age (LDA). Usually, identity cards are compulsory at the event to verify and confirm their age.

Loudspeaker License

Any event held in any public or private venue needing to use a loudspeaker requires a loudspeaker license. The permission needs to be obtained from the local police authorities. Depending on the nature of the event, the authorities may limit the size and number of speakers to be used at the event.

Premise License

A license of the premise allows the event organisers to carry out all the permissible activities at the venue. The activities include late night entertainment between 11 p.m. and 8 a.m., large-scale events allowing an audience of over 500 people, selling alcohol as well as serving food and beverages during specific timings and so on. The license can be obtained from the municipal authority under which the venue falls.

Performance License

This is the license which allows a child (anybody below 18 years of age) to take part in a musical event and make a paid performance. Again, the license can be obtained from the local authority. So, if the event has a performance made by a child and is a paid performance, the event organizers are required to procure performance license from local authority.

Public Works Department License

You need to get this when you have a generator at your event.

Foreign Artist Permission

Whenever you have people from another nationality performing at your event, you require to get a license for it separately.

5.4 PERMISSIONS AND NOC

NOC (No Objection Certificate) is a written document obtained as approval from the local authority. In case of organising an event, the event organiser needs to obtain NOCs from different departments. The list is as follows:

- No Objection Certificate from the Additional Collectors office
- No Objection Certificate from the Local Police Station
- No Objection Certificate from the Traffic Police Department
- No Objection Certificate from the Fire Brigade
- No Objection Certificate from the Electrical Inspector
- No Objection Certificate from the Health Department
- Police Commissioners Note
- No Objection Certificate from the Rangabhumi Parinirikshan Mandal (for Maharashtra only)
- Certificate regarding fitness of the machinery (in case of amusement rides)

Event application details when writing to authorities:

1) *Event / Venue Details*

- Event Location
- Brief history of the event/venue
- Duration of the event (schedule and timing)
- Expected number of people
- Admission arrangement (open to public / by invitation / with tickets)
- Details of activities and how / when / where they will take place
- Event management structure (set out the key management personnel)
- Functions of key personnel (event controller, safety officer, and health and sanitation in-charge)

- Event control and communications (location of central control room, who will be there, and what means of communication will be used) for reporting
 - Any particular arrangements (for spectators with special needs with any or disability, pre-lunch ceremonies etc.)
 - Overview of large equipment and temporary structures (like staging, sanitary, facilities and lighting)
 - Contact details of event organisers / administrators and venue owner
- 2) **Site Plan:** The site plan must include maps showing location and details of:
- Transportation hubs (like bus-stops, railway stations, and taxi stands)
 - Places of stay
 - Information kiosks
 - Places of interest at the venue / event
 - Meeting points
 - Entry or exit points at the venue / event
 - Meeting points
 - Holding area(s), queue complex(s), routes for movement
 - Watch towers at vantage locations for observing and monitoring the crowd.
 - CCTV coverage at all vulnerable locations to be monitored at the control room.
 - Sector wise deployment of policemen with sector wise responsibility and wireless communication network between watch towers, CCTV control room and deployment inside the crowd.
 - Police ‘chowkies’/ stations
 - Reporting places for lost / stolen / found items, missing persons etc.
 - Parking lots
 - Health facilities
 - Shopping areas
 - Food joints
 - Hazard points
 - Emergency exits
 - Emergency assembly points
 - First aid services
 - Emergency services (fire, ambulance)
 - Emergency operations center and incident command posts

In the next Unit we shall be learning about contracts in event management and their management.

Check Your Progress II

Note: Use the space provided for your answer

1) How is PPL different from IPRS?

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2) Give all the details that should be included while drafting a letter to authorities for obtaining NOCs.

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3) What are the departments from which the event organisers might require to obtain NOCs before carrying out the event?

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5.5 LET US SUM UP

Laws and regulations are important in all sectors and very much so in the event industry. These not only protect the rights of stakeholders including the audience but also set a code of conduct for event organisers. With the events becoming more and more professional in their execution requiring most of the activities to be outsourced, a great demand has been created for regularising the event industry. The Unit discusses about the acts, GST legislation licences, approvals and no objection certificates required to conduct an event.

5.6 KEYWORDS

- Sale deed** : A sale of immovable property for value more than Rs.100, when made through a registered instrument which in normal terms is known as a sale deed.
- Easement** : An easement is a right which the owner or occupier of certain land possesses, as such, for the beneficial enjoyment of that land, to do and continue to do something, or to prevent and continue to prevent something being done, in or upon, or in respect of certain other land not his own.
- Lease** : Written or implied contract by which an owner (the lessor) of a specific asset (such as a parcel of land, building, equipment, or machinery) grants a second party (the lessee) the right to its exclusive possession and use for a specific period and under specified conditions, in return for specified periodic rental or lease payments.
- Rationalization** : The cognitive process of making something seem consistent with reason or is based on reason. Sometimes rationalization means the way you justify your action.
- Subsidies** : Money that is paid usually by government to keep the price of a product or service low or to help a business or organization to continue to function
- Tariff of Electricity** : Tariff refers to the amount of money the consumer has to pay for making the power available to them at their homes.
- Societies Registration Act** : The act was established for the promotion of literature, science, or the fine arts, or for the diffusion of useful knowledge or for charitable purposes. It says that any seven or more persons associated for any Literary, Scientific, or Charitable purpose, may, by subscribing their names to a Memorandum of Association and filing the same with the Registrar of Societies form themselves into a Society under the Societies Registration Act, 1860.
- Hospitality industry** : Hotel, motels, inns, or such businesses that provides transitional or short-term lodging, with or without food.
- Torts** : A tort, in common law jurisdictions, is a 'wrong' that unfairly causes someone else to suffer loss or harm, resulting in legal liability for the person who commits the tortuous act

Ambient Air Quality : Ambient air quality refers to the quality of outdoor air in our surrounding environment. It is typically measured near ground level, away from direct sources of pollution.

Rangabhumi Parinirikshan Mandal : Maharashtra Rangbhoomi Parinirikshan Mandal or the Maharashtra State Performance Scrutiny Board is the Board for Prior Scrutiny of Tamasha (Theatre). Theatre groups have to submit two copies of the script to the Board for clearance before it can be staged. The Board acts as a watchdog, because some scripts can have elements that can upset society. The cleared script had to then obtain a performance license from the Mumbai Police's license department.

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5.8 CHECK YOUR PROGRESS - POSSIBLE ANSWERS

Check Your Progress I

- 1) Laws pertaining to event management are: Venue / Property related Laws, Environmental Protection Act, 1986, The Noise Pollution (Regulation and Control) Rules, 2000, Electricity Regulation Act, Building Regulations Act, Fire Precautions Regulation Act, Goods and Services Tax (GST), Local Body Entertainment Tax (LBET), Customs Duty, Civil and Tortuous liability and related laws and Health and Safety at Work. Following two laws have been discussed in detail-
 - **Building Regulations Act** - The prime objective of these regulations is to protect public health, safety and general welfare in the context of construction and occupancy of buildings and structures. Regulations provide specific requirements applying to special construction objects such as canopies, signs, pedestrian walkways, parking lots, radio and television antennas and minimum standards for sanitation, water supply, light, ventilation, fire prevention and control, energy efficiency, stairs and halls, mechanical, electrical, plumbing, site drainage and storage, appliance, lighting, fixtures standards, occupancy rules, swimming pool regulations and so on.
 - **Fire Precautions Regulation Act** - The act deals with safety from fire. It specifies the demarcation of fire zones, restrictions on construction of buildings in each fire zone, classification of buildings based on occupancy, and types of building construction according to fire resistance

of the structural and non-structural components. It also deals with other restrictions and requirements necessary to minimise danger to life from fire, smoke, fumes or panic before the buildings can be evacuated.

- 2) Noise controlling rules and regulations determine the usage of loud speakers in public event or public address system. These can only be used after obtaining permission from the authority. The authority can reduce the number of loud speakers to be used in the event after assessing the nature of the event. Also, these cannot be used at night (between 10:00 pm to 6 am) except in closed premises for communication within for example auditoria, conference rooms, community halls and banquet halls.
- 3) The Goods and Service Tax (GST) was introduced on 1st July 2017. After the introduction of GST, the entire tax legislation has undergone a paradigm shift. Former taxes levied by central and state government including- value added tax (VAT), service tax, excise duty, additional custom duty tax, state level entertainment tax, entry tax and surcharges have now got subsumed (included) into the GST legislation. However custom duty collected by the Central Government on import of goods into India and entertainment tax levied by local bodies (such as panchayats and municipalities) continue to remain outside the ambit of GST legislation and shall be applicable as separate levies, over and above GST. The GST bill has a four-tier structure, namely, 5 per cent, 12 per cent, 18 per cent and 28 per cent. This means that tax will be levied at rate baskets ranging from 5 to 28 per cent. Events come under GST legislation as they are classified as a supply service under GST.

Two implications that GST has on the event industry are as follows:

- Sponsorships which form a significant chunk of revenue generation for any event is subject to GST under the reverse charge mechanism.
- The event organiser has to specifically obtain GST registration to incur location-specific expenses in the state where the event will happen and such expenses will take place.

Check Your Progress II

- 1) PPL (Phonographic Performance Limited) License is required by the organisations to play recorded music. The license allows the event organisers to use other artistes' music with freedom at the event. While IPRS (Indian Performing Right Society Limited) License is the license required for playing/performing non-recorded music in public, a license 'for the artistes, of the artistes.' For instance when a popular artiste performs live in India, then the event will require an IPRS license. Also, the artiste needs to be a registered member of IPRS. Unlike PPL, IPRS issues licenses to the music users. It collects royalties for the artistes, from the artistes on behalf of its registered artiste members (such as lyricists, composers, publishers and performers of music) and distributes the royalty to the music owners / members.
- 2) The event application should contain following details of the event while writing to authorities.

Event / Venue Details

- Event Location

- Brief history of the event / venue
- Duration of the event (schedule and timing)
- Expected number of people
- Admission arrangement (Open to public / by invitation / tickets etc)
- Details of activities and how / when / where they will take place
- Event management structure (Set out the key management personnel)
- Functions of key personnel (event controller, safety officer and health and sanitation in-charge)
- Event control and communications (location of central control room, who will be there, what means) of communication will be used for reporting
- Any particular arrangements (special needs spectators, pre-lunch ceremonies etc.)
- Overview of large equipment and temporary structures (staging, sanitary, facilities, lighting etc.)
- Contact details and of event organisers / administrator and venue owner

Site Plan: The site plan must include maps showing location and details of:

- Transportation hubs (bus-stops, railway stations, taxi stands etc)
- Places of stay
- Information Kiosks
- Places of interest at the venue / event
- Meeting points
- Entry or exit points at the venue / event
- Meeting points
- Entry and exit points at event venue
- Holding area(s), queue complex(s), routes for movement
- Watch towers at vantage locations for observing and monitoring the crowd.
- CCTV coverage at all vulnerable locations to be monitored at the control room.
- Sector wise deployment of policemen with sector wise responsibility and wireless communication network between watch towers, CCTV control room and deployment inside the crowd.
- Police chowkies / stations
- Reporting places for lost / stolen / found items, missing persons etc.
- Parking lots
- Health facilities
- Shopping areas
- Food joints

**Event Planning Pre-requisites
(Regulatory and Compliance
Issues)**

- Hazard points
 - Emergency exits
 - Emergency assembly points
 - First Aid Services
 - Emergency Services (Fire, Ambulance)
 - Emergency Operations Center, Incident Command Posts etc.
- 3) NOCs should be submitted to following authorities:
- No objection Certificate from the Additional Collectors office
 - No Objection Certificate from the Local Police Station
 - No Objection Certificate from the Traffic Police Department
 - No Objection Certificate from the Fire Brigade
 - No Objection Certificate from the Electrical Inspector
 - No Objection Certificate from the Health Department
 - Police Commissioners Note
 - Certificate regarding fitness of the machinery (in case of amusement rides)

UNIT 6 CONTRACTS

Structure

- 6.0 Objectives
- 6.1 Introduction
- 6.2 Definition and Elements of a Contract
- 6.3 Components of a Contract
- 6.4 Process of Contract Development
- 6.5 Types of Contract
- 6.6 Contracts Required by an Event Management Company
- 6.7 Contract Management Process
- 6.8 Conclusion
- 6.9 Let Us Sum Up
- 6.10 Keywords
- 6.11 References and Suggested Readings
- 6.12 Check Your Progress - Possible Answers

6.0 OBJECTIVES

Event management is basically the application of project management techniques for the creation of festival, celebration or communication. Like in project management, in event management too, contracts and service agreements become essential tools for the purpose of professional trading and business relationships. While the tradition of finalizing deals on a verbal agreement between two friends in business may reflect a good relationship, it is sensible and advisable to document the agreements supported by signatures. In the absence of clearly defined and agreed contracts, there can be misunderstandings, failure of meeting expectations of client, customers and suppliers, and various other types of problems. This Unit while emphasizing the importance of contracts in event production will also discuss the elements, types, and components of contract, as well as the managerial aspects of contracts in event management. After reading this Unit you should be able to:

- Understand the meaning of contract and its types;
- Describe the elements and components of a contract; and
- Learn about the process of contract management.

6.1 INTRODUCTION

The intensity of the need for contracts and service agreements might not be the same on every professional front. A person running her / his own small business or is self-employed or is a freelancer may not need such agreements in the respective business. In fact, in many cases very detailed agreements can be an obstacle in small businesses. The need for these agreements is remarkably greater

when we are managing any project on behalf of a company or employer. In such situations, the clearly stated agreements and expectations between different parties allows running the business smoothly even if the original deal-makers are no longer associated with the company.

No doubt that these guidelines represent a prudent and safe approach but one has to be very logical in developing the content or the depth of contracts. On one hand if a very detailed contract can be a hurdle to a business, the vague matters and absence of crucial things in a contract can lead to disputes and other problems on the other hand. Therefore, the event manager has to be thoughtful enough in forecasting the potential areas of disputes and confusions in the long run. Duly framed contracts and agreements provide an essential reference point for discussions and negotiations of effective outcomes between the involved stakeholders, whenever a situation changes.

Most of the times contracts and agreements are never looked at again after they are signed. This behaviour does not lead to any damage in situations where the involved parties have understood each other's positions and the trading relationship has been properly established. However, in scenarios where the relationship is new and that level of understanding has not been achieved, the process of reviewing and monitoring the contract is an excellent way to flush out and make transparent all aspects of the supply or service arrangement which is otherwise commonly 'taken for granted', usually including many wrong or mismatched assumptions on both sides.

These contracts are called by different names such as supply agreements, service agreements, management contracts, service contracts, trading agreements, supply contracts, details of supply, details of services, schedule of services, services schedules, and so on. But what is important is not what the contract is called, rather what the contract contains, and how the contents are worded, which count the most. Therefore, in contracts carrying significant legal responsibilities and potential liabilities, it is advisable to involve a solicitor or lawyer in the development of contractual documents.

6.2 DEFINITION AND ELEMENTS OF A CONTRACT

Before we move into the technicalities of a contract it is important to understand the meaning of contract and its elements. The term 'business contract' is actually not defined under any statute; rather this term has been coined from the commercial transactions when one person deals with other person with an objective to earn profit from the same. Therefore, all contracts which are intended by parties for commercial purpose like furtherance of their business activities may be named as business contracts.

A contract in a professionally managed event is similar to a business contract in its fundamentals and will be regulated by Indian Contract Act, 1872. Here, it is clarified that all contracts are agreements but all agreements are not contracts; rather only those agreements are contracts which are enforceable under the law. Thus, this legal proposition applies to an event contract too.

Contract – Definition

As defined by Mathews, *a contract is a bilateral agreement. In other words it is between two or more persons and parties. It explains an obligation in which*

each party mutually acquires a right to what is promised by the other. It is a tool that outlines the details of an agreement. Most importantly, it is legally binding. A contract can also be called a letter or memorandum of agreement, a letter of confirmation, and a letter of intent.

As per Section 2(h) of the Indian Contract Act 1872, contract is defined as *an agreement which is enforceable by law*. So any agreement which can be enforced by law is a contract.

A contract should be in writing, and should comprise of clear words and simple language, representing and protecting mutual interests (It should be in writing because a verbal contract is usually confusing and versions can be changed if any dispute arises). Details of the agreement should be spelt out clearly in the contract and should be able to be put to scrutiny in the legal sense.

Elements of a Contract

- i) The parties should be competent - This means that each side should have the capacity to do the job. For example minors and mentally incompetent people are not competent to sign a contract.
- ii) There must be something given in exchange to one party which is held for the contract. Normally it is money, but it can possibly be property or rights too.
- iii) Both parties getting into a contract should have a clear idea about the details, rights and obligations of the contract. There has to be a meeting of minds for common understanding.

The contract can be in different forms – a written document, a document sent via E-mail (digital document or on a CD-ROM), a fax or even a verbal agreement. The legal departments of corporates review all the contracts, but in several corporates the legal department makes standard contracts, and the event manager or the vendor is required to fill in the blanks wherever indicated. However the legal department must review and approve any kind of variation in the contracts. The larger and well established a corporate is, the greater is the likelihood that it already has a contract process in place that outlines its process. Every contract specifies the task of who will do what, when and by whom it will be done, and in some cases how it will be done. The contract can be very detailed as in an entertainment contract, or as simple as a one page letter of agreement or a purchase order.

6.3 COMPONENTS OF A CONTRACT

A contract comprises of two parts – the terms and conditions, and clauses. These have been discussed below in detail:

Terms and Conditions

Terms and conditions pertain to countless details of a specific event. According to Smyth and Soberman, this information is considered to be essential to any contract, while the non-essential ones are called warranties. Following are the several types of information which are usually given under terms and conditions:

- 1) **Contact Information:** Contact information is required in both client and supplier contracts. The contract information should include:
 - The legal name of the client and producer organization and in the case of suppliers and artists, their stage name or company or individual names.
 - The name of the contact person(s) who has the signing authority.
 - The mailing addresses of both parties.
 - The physical address of both parties if different from the mailing addresses.
 - The phone and fax numbers of both parties.
 - The email addresses of both parties.

- 2) **Event Details:** Event detail is the core content of the contract, and is required in both client and a supplier contract. They provide a summary of all the points that have been agreed upon by both parties, including:
 - Venue details - This contains information pertaining to time, location of the event and event venue name including a specific room name if applicable, address, phone number, contact person, date, start and end times of the event, start times / setup / strike times for suppliers and artists, technical and rehearsal times, and the length of performances as and when applicable.
 - Specifics of service(s) or product(s) to be provided - This section covers the services or products in detail. For example, a detailed list of audio equipment, décor items and where and how they will be installed, the names, types, schedule and lengths of performances including the details of the number of persons involved wherever applicable.
 - Specifics of additional services to be provided - In many cases, there could be additional requirements by either the client or supplier or event producers. For example, the client might ask for food and beverages for staff in the green room. Thus, such additional services must be included in the terms and conditions of the contract.
 - Compliance with regulations and standards - As it goes without saying, the wise use of resources, compliance with safety and design regulations, and standards are to be followed throughout the event production. However, these should also form a part of all supplier contracts.

- 3) **Financial Information:** Financial details should be very clear so as to avoid discontent at the time of payment. The financial details primarily include information about compensation amount agreed upon by the parties for the services / products to be provided; taxes as applicable on the services and products; and deposit amounts and deadlines depending on the event company's norms. Many event production companies have a norm, to deposit for 50-75% of the total contract value upon contract signing, with the remainder due on or before the actual event date; and electronic transfer fees charged as a processing fee on online payments including credit card payments, wire transfers, and electronic fund transfers (EFT).

- 4) **Rider Information:** A contract rider is an additional provision, schedule, amendment, or any other changes which is annexed to the original contract in order to modify it. The prime objective of a rider is to avoid rewriting and redrafting of the entire contract document. The riders can be attached to both the types of contracts - producer / client contract and producer / supplier contract as well. For example, the riders may include transportation details such as first class return airfare and accommodation requirements such as non-smoking hotel rooms which are missing in the main contract.

Clauses

A clause is a specific provision or section within a written contract. Each clause addresses a specific aspect related to the overall subject matter of the agreement. Clause aims at clearly defining the duties, rights and privileges that each party has under the contract terms. These are referred to as the 'boiler plate' or fixed part of the contract and generally do not vary from one event to the next. Some common contract clauses include:

- **Cancellation Policy** - This clause specifies as to how much of the total value of the contract, usually as a percentage is payable to the producer or to the supplier in the case of a cancellation by the client or producer respectively.
- **Insurance for Pre-event Expenses** - There are a lot of pre-event expenses such as programming, lighting, software, building sets, or purchasing new equipment. In the clause, all parties agree to purchase an insurance policy to cover these expenses.
- **Termination Policy** - This indicates the action to be taken if either party fails to perform any or all of its respective obligations. For instance, it may include the amounts payable to the parties and the amount of time and method required to indicate termination.
- **Force Majeure** - This clause removes one or more of the parties from liability due to unavoidable circumstances preventing them from performing their obligations such as natural disasters, strikes and curfews. Sometimes it may allow for substitutions to be made.
- **Indemnification Clause** - An indemnity clause in a contract states that one party agrees to 'indemnify' (and often also to 'hold harmless' and 'defend') the other party. To indemnify someone means to absorb the losses caused by that party, rather than seeking compensation from that party, or to compensate that party if something you do (or fail to do) causes them to experience loss, damages, or a lawsuit from a third party. For example, if an Event Management Company misrepresents a company or its brands in the event, or on any media platform, and this causes reputational or commercial loss to the company, then the event company will need to cover and absorb all the losses caused due to this action. The indemnity clause in the contract will cover this.
- **Arbitration** - This states that disputes are to be resolved through arbitration rather than litigation. Alternate Dispute Resolution is the preferred method for solving disputes (Alternate Dispute Resolution has been discussed in section 6.7 of this Unit).

- **Intellectual Property** - The clause is applicable in the case of producer/artist contracts, which outlines any restrictions on the recording of performances and specifies the owner of the property. Any use of recordings (e.g. audio or video) of a performer, for e.g. must first be approved by the performer if they are to be used for marketing. Also, the person signing the contract with an artist is responsible for paying any copyright fees as required by performing rights organizations.

6.4 PROCESS OF CONTRACT DEVELOPMENT



Fig. 6.1: Process of Constructing a Contract

Fig. 6.1 shows the process of contract development. The event management company (EMC) after winning the bid to produce an event, based on the bid proposal / event proposal (discussed in detail in Units 3 and 4 of Block-1, in this Course) that was submitted by the EMC, starts writing down everything it plans to do and also make the list of things it does not want to do. The event proposal is what forms the basis of a contract. Once the client has clarified and described its need and purpose, the event producers facilitate the process by contacting different suppliers and contractors for the required product and services and invite them along with their proposals.

The list of contractors is finalized after the negotiations are completed. The event producer and suppliers finalize an agreement(s) satisfying the need and expectation of both the parties. While working on agreement, all the parties should be extra cautious and all those clauses should be included in it, which one can foresee, else may result in a dispute between client and producer or producer and supplier. Box No. 1 displays the template of a contract.

Under the provisions of Indian Contract Act, 1872 every agreement is not a contract; only those agreements which are enforceable by law are contracts. Thus it becomes essential for event planners to be aware of the facts regarding what they are going to organize on the instructions of their clients and whether those things are within the ambit of legally enforceable agreements or not. This is because, in case of any dispute between the parties, justice before court of law shall be available only with respect to legally enforceable agreements.

In order to organize an event, an event planner has to enter into an agreement with the under-mentioned persons:-

- i) Clients, on whose instance the event is conceptualized.
- ii) Suppliers, for supply of essential materials / goods, namely foods, water, electricity and other necessities giving real shape to the event proposed
- iii) Service provider, where needs specific to the event arise, such as services of interior decorator, architects, florists, etc.

Signing Contracts

Signing contracts makes the contract documentation complete and states that all parties agree to what has been written in the contract document. Nowadays, the provision of digital signatures has made signing of contracts even easier. While signing the contract, the parties involved in the contract should check for following things:

- All event details and names should be checked for accuracy.
- All signatures should be dated, applying to both parties.
- Both parties should ensure that the other party has the signing authority. It is best to have the same person who signs the contract, to also be responsible for signing cheques, in order to minimize invoicing complications.
- Also, parties should make initials if there are any changes later to keep the contract valid.

Box No. 1

Service agreement or supply contract - Basic template and structure

- 1) heading / title
- 2) description / purpose / service (basically the product / service description)
- 3) parties (supplier and client - including addresses)
- 4) date
- 5) territory / geographical coverage
- 6) definitions - essential glossary of frequently occurring items in the document
- 7) term - period of agreement
- 8) pricing (refer if appropriate to attached schedule)
- 9) pricing adjustment (for example annual increases linked to suitable index)
- 10) responsibilities of provider - include or append details of services and SLA's (service level agreements)
- 11) responsibilities of client
- 12) payment terms
- 13) confidentiality
- 14) dispute and arbitration process
- 15) termination and force majeure
- 16) renegotiation / renewal
- 17) prevailing laws
- 18) signatures and witnesses

6.5 TYPES OF CONTRACTS

Like in any business set-up, the contracts are developed between the producer and the client, and between the producer and suppliers. In context of an event, the contractual relationships are between (i) the suppliers and the independent

event planner or EMC, and (ii) between the client / sponsor and the EMC / corporate event management team. There are four types of contracts used in the event industry: cost-plus, fixed price, incentive and mixed.

Cost-Plus Contracts

This type of contract is either a cost-plus-percentage-contract or a cost-plus-fixed-fee contract. In this case, the contractor passes on costs directly to the client wherein there is a common contract made between the event company and its client / sponsor. Such a contract can be set up very quickly. The event company charges the client a percentage of the gross amount (total cost of the event) or straight fee on each of the elements of the event, and bills other costs to the client. Let us suppose the total cost of an event including all its individual elements is INR 10, 00,000. The EMC charges ten percent on this cost which will be one lakh rupees. This comes under cost-plus-percentage-contract. When the event manager charges the client a straight, fixed fee, over the total costs, for example, one and a half lakh rupees, on the total cost of INR 10,00,000, it will come under cost-plus-fixed-fee contract. In cost-plus contract, many of the risks are borne by the client, and for the best price of goods and services, the client relies on the contractor.

Fixed-Price Contracts

In a fixed-price contract, one price is determined for the whole resource. This allows the suppliers or vendors the flexibility to use their own subcontractors to deliver the activities. In other words it transfers the risk of variation in cost to the supplier, who must pay all the costs out of the fixed amount. This type of contract is most common. Though in this case, many of the risks are transferred to the contractor (supplier or vendor), the event manager still needs to know the market price of the goods or services. An event planner who has conducted good market research and acquired good knowledge on the required goods or services is able to finalize the deal economically as well as satisfy the client.

Incentive Contracts

An incentive contract is also called a percentage share of profit. Such a contract is used commonly in corporate-sponsored events or entrepreneurial events. Usually the incentive contract works wherein there is an admission fee in events. Incentives contracts can also be included in the cost-plus or the fixed-price contract. This means when a certain cost or target is met, then the contractor gains an extra fee.

Mixed Contracts

Mixed contracts are a mixture of the above three types of contracts described. For example, a caterer could be contracted for a fixed fee plus costs with a percentage of the profits. This feature of mixed contract actually spreads the risk. It requires skill to negotiate to the satisfaction of all the parties, as it could result in loss of trust and goodwill. In the formation of contracts, it is advisable to secure the services from legal professionals.

Check Your Progress I

Note: Use the space provided for your answer

- 1) What is the difference between a contract and an agreement?

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2) What aspects need to be mentioned in the event details (under terms and conditions) while drafting the contracts?

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3) Explain indemnification clause.

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4) What is the role of a rider in a business contract?

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5) Explain any two types of contracts used in the event industry.

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6.6 CONTRACTS REQUIRED BY AN EVENT MANAGEMENT COMPANY

Different stakeholders have different requirements that meet their need to perform the specific set of tasks. The terms and conditions, clauses and riders are to be predicted which are specific to the concerned stakeholder so as to formulate a sound business contract aligned to their operational needs. Some of the contracts required by the Event Management Company are discussed below:

Entertainment

Usually, the entertainment contract has ‘rider’ as a feature. As mentioned in section 6.3 of this Unit, riders are the attachments which are annexed to the original

contract. The original contract often contains a clause requiring the event company to provide the goods and services contained in the rider, along with the performance fee. The riders include things such as technical specification (e.g. microphone facility, lighting specifics), hospitality specification (e.g. food, drink) and venue specification (e.g. payment terms, insurance requirements).

Another clause in the entertainment contract is exclusivity. The performer might be invited to do a headliner act that will give the event its uniqueness. Hence, in order to prevent the performer to perform at a similar event in the same period, the clause indicates that the performer cannot perform within a specified geographic area during the event or for a certain number of days prior to and after the event. It is advisable to obtain legal advice from a solicitor, experienced in dealing with entertainment / music contracts. The contract must also contain a clause that stipulates that the signatories have a right to sign on behalf of the contracting parties.

Venue

The venue contract will have special clauses, including indemnifying the venue against damages, personnel requirements and provision of security staff. The contract can also contain the following elements such as security deposit, penalty for cancellation of the event, access to authorized areas, timings for the access through entrances, penalty for the event going overtime, free tickets for the venue management, permission for alterations to internal structures and usage of promotional material. While finalizing the venue contract, it is important to ascertain what all is included in the fee. For example the chairs and tables in the entire venue might not be included in the fee of the venue.

Sponsor

The sponsor contract covers aspects related to quality representations of the sponsor such as logos and signage, exclusivity, and the right of refusal for further sponsorship. The contract may specify that the sponsor's logo be included on all promotional material, or that the sponsor has a right to monitor the quality of the promotional material. The contract may also describe the hospitality rights such as the number of complimentary tickets supplied to the sponsor.

Broadcast

The important aspects in the broadcast contract include - the broadcast area (local, national or international); a clause stating that the event company has the rights to sign for the whole event; level of sponsorship so that the rights of the event sponsor and the broadcaster's sponsor do not clash; allowable number of repeats of broadcast; authorization to edit; the extent of physical access requirements of broadcasting and the clause mentioning the people's name and elements that will be listed in the titles and credits.

6.7 CONTRACT MANAGEMENT PROCESS

The stages of contract management process include negotiation, specification, contract and administration (Fig.6.2). These stages have been discussed below:

Negotiation

Negotiation is discussing, clarifying the expectations, bargaining and arriving at a common ground rather than enforcing decisions. In order to work out a right deal, negotiations are definitely required. However, one should tread carefully as pushing too far may spoil the potential partnership instead.

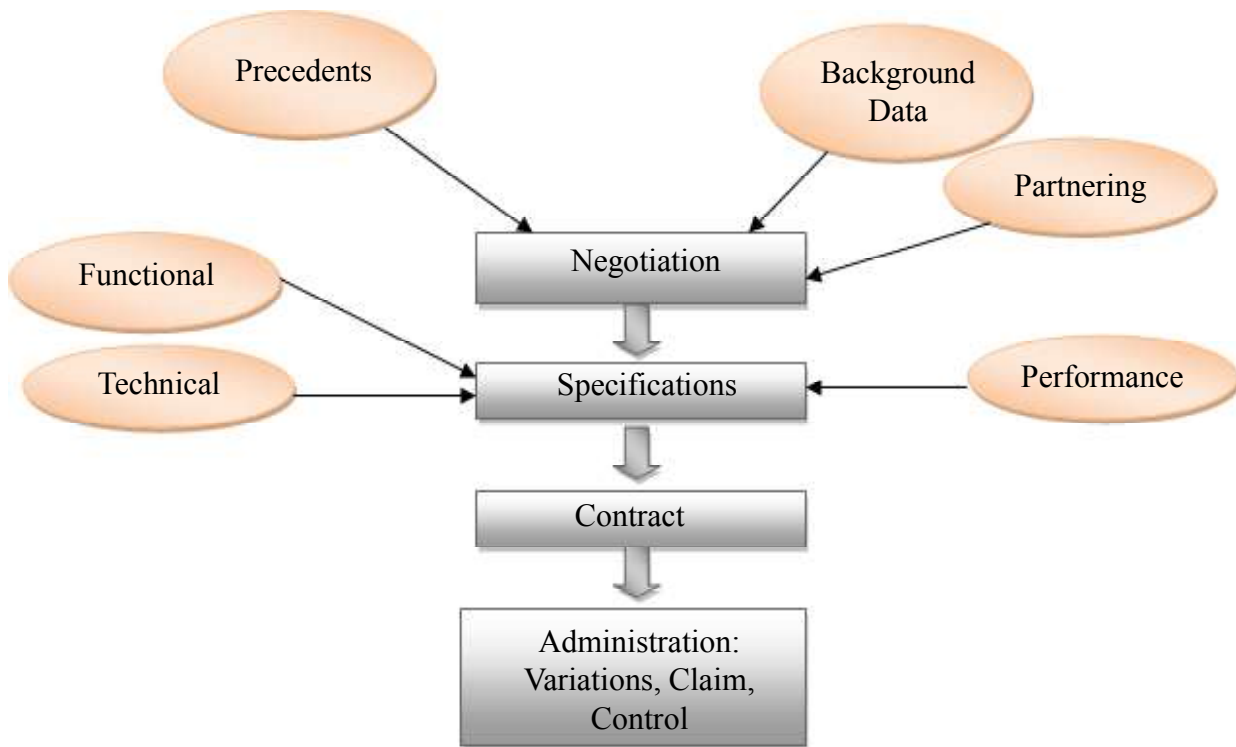


Fig. 6.2: The Contract Management Process

Source: O'Toole and Mikolaitis (2002)

Background

Understanding the clients or suppliers increases the bargaining power and enables us to identify how valuable is our event to them. Knowing the client is very essential and you have already learnt about this in detail in Unit 1 titled 'Getting to know your Client,' of Block 1, in this Course. Background research also helps us to understand how far to go in negotiations. Basic research pertaining to their competitors' position in the market in the past few years; business scale; current business in-hand; and potential customers help to understand the background of the clients and suppliers. Negotiation at the right time is also a strategic tool to work out the best results.

Precedents

Precedents refer to any similar successful contracts which can be used as a powerful argument and referred to during the negotiation. Therefore, one should be very careful while framing the contract as the contracts should not set the precedents which are regretted later on. For example, reducing or increasing the fee will be difficult once the precedent has been set. Precedents can also be useful in crafting the specifications and terminology for special effects and other unusual event elements.

Partnering

Partnership freezes when the involved parties after negotiation feel comfortable and are happy with the agreement. A successful partnering for an event signifies that all the involved parties take stakes in the event and will mutually benefit from the event. Hence, the concept of partnering is not just negotiation but it means working towards the common goal. The suppliers, such as the caterers, engineers, designers and security, should get a sense that they are contributing to the success of the event.

Specifications

This refers to specifics of the required product or service written in the contract document. The product or service can be described in terms of: functional description, for e.g. “The lighting at the stage should be disco-type lighting.”; technical description, for e.g. the contractor will supply and set up 10 disco-type lights, three lighting trusses and one mixing desk; performance parameter, for e.g. the lighting will illuminate in disco style for the first two hours. The specifications can contain all three types of description for clear understanding. However, too much detail can be a problem, as the suppliers may miss out the core aspects.

Administration

Once the agreement is made and the contract is signed, the process of administering the contract starts. It is very essential for the event planner to manage contractors (vendors, suppliers etc.), as despite the words on the contract paper and the possibility of legal action, not all contractors will comply with the contract terms and conditions, in spirit. Therefore, administering of the contract includes: briefing all the contractors about any changes, any uncommon event conditions or special corporate requirements and share the progress report; reviewing of tasks and responsibilities by forming a contract administration team to avoid last minute hassles and crisis situations; and handling of variations and claims in contract.

Contract variations or changes happen due to various internal or external factors such as disasters, inflation, sickness of staff, increase in staff, and new legislations. Though some of the factors which are known are considered and taken care of during the contract drafting stage, not all the possible changes can be foreseen during negotiation stage and the awarding of the contract. A change request, also called variance claim, in the original contract should be evaluated first, approved, and then properly documented. The effect of any contract change on the event as a whole, as well as on its parts, needs to be estimated. Proper administration of the contract enables the event management team to take care of minor variations. For e.g. small changes in the stage decoration can be taken care of by the concerned team.

Breach of Event Contract and Liability thereof

If a party does not fulfill its contractual promise, the party is said to breach the contract. Breach of contract occurs when one party has informed to the other party about the non-performance of its duty as mentioned in the contract, or seems to be unable to perform as per the contract by its action and conduct. The aggrieved or the injured party may bring an action through court of law for damages. The damages can be claimed in two ways: (i) liquidated damages wherein the amount of damages due to breach is specified in the contract itself; and (ii) un-liquidated damages wherein the amount is not specified for the breach in the event contract. In such a situation the amount of damages is decided by the court.

Common Problems

Contract problems can emerge for a variety of reasons. These include disagreement, conflict, variation, breach, miscommunication, misinterpretation, unrealistic expectation, too much time spent on negotiation, lack of sufficient

knowledge about event activities so as to properly describe the desired products or services, lack of legal aspect of contract, lack of timely progress reporting system, not documenting variations in writing and so on. To reduce the chance of a problem escalating into a dispute, the issue needs to be identified, discussed and resolved. This can be done through open communication, co-operation, mutual understanding of the problem and a desire by all parties to resolve it before it is escalated into something more serious.

Resolving Disputes

Contracts no doubt, form the backbone of events or any business and touch virtually our business relationships but at the same time these present several challenges to a business which sometimes even escalate to disputes. Disputes arising due to contract problems lead to damages in terms of lost revenue, inflated costs, or unmanaged risk. These need to be controlled and eliminated as efficiently and effectively as possible. Following are the methods available to settle disputes:

Alternate Dispute Resolution (ADR)

ADR is a method which allows the parties to sit down together, sometimes with a qualified and trained third party, to come to an agreement. The method includes negotiation, mediation, conciliation and arbitration in increasing order of complexity and decreasing amount of decision-making control by the parties.

- **Negotiation** - It is the simplest form of ADR wherein the disputing parties converse with each other with the purpose of arriving at a settlement. Usually the dialogue occurs without the assistance of a third party, but occasionally, a neutral third party may be brought in to simply keep the parties talking and to record proceedings.
- **Mediation** - In mediation a neutral third-party intervener is introduced to facilitate the process but it does not impose the solution. The parties select the mediator and the mediator assists the parties to understand the dispute, to provide structured discussion and to help the parties reach a dispute settlement agreement.
- **Conciliation** - Like mediation, conciliation also uses a neutral third party to facilitate the process but here, the conciliator is seen as an authority figure responsible for determining the best solution for the parties. The parties come to the conciliator seeking guidance and the parties make decisions about proposals made by the conciliator. The parties generally share equally in the cost of the conciliation.
- **Arbitration** - In this, a neutral third party (arbitrator) or a panel of arbitrators is chosen by the opposing parties. The arbitrator(s) listen to each disputant and make a decision that is binding on them. The cost of the arbitration is disposed of as part of the settlement. Since arbitration removes all decision-making authority from the two parties it is less likely that prior relationship is maintained after the process.

Small Claims Court

Usually, small claims court is used to recover disputed amount of specified value. Though the process is quite simple it might take a year just to get to the court

because of backlog of court cases. Also, it is very hard to collect the court judgment once the party has won the case.

Litigation

When the disputed amount is over the maximum value of small claims court, it goes for litigation. It is advisable to avoid litigation at all costs, particularly for small businesses, and should be undertaken only if the amount involved in the stake is high. The process requires expert legal advice and involves high cost. Litigation should be seen as a last option to seek resolution.

Box No. 2 depicts a sample contract for your understanding.

Box No. 2

ABC Event Company Ltd. MEMORANDUM OF AGREEMENT

Production No.: 03420625

Producer: Joy Dale

THIS AGREEMENT made and entered into on this date, July 24, 2018 by and between (Organization): XYZ Insurance Co.

by (Contact): Michael Hurley hereinafter called the CLIENT, and ABC Event Company Ltd., as Producer.

The Producer agrees to present the following:

- 7:00 – 9:00 pm – Background music by the Musical Marvels jazz ensemble. Group to report at 6:30 pm.
- 9:00 – 10:00 pm – Stage show by the Fabulous Friars comedy troupe. Troupe to report at 8:00 pm.
- All audio and lighting to be included. Setup and sound check at 5:00 pm.

At: Best Sleep Hotel
5490 West Honeysuckle St.
Vancouver, BC

On: December 5, 2018

Time of Event: 7:00 PM

In: Pinnacle Ballroom

Length of Show: 1 hour

For this program, I/We the undersigned agree to pay ABC Event Company Ltd. The sum of :

\$10,000.00 plus \$0.00 PST plus \$700.00 GST = \$ 10,700.00

(GST Reg. #R123904997)

Advance due with return of signed Agreement Memo: \$7500.00

- 1) Payment: 75% of contract value due with return of signed Agreement Memo within 14 days of receipt. Remainder due 14 DAYS PRIOR TO

EVENT. Producer reserves right to withhold services if a signed Agreement Memo and payments are not received in accordance with this schedule. Terms on unpaid additional amounts: 2% per month after 7 days.

- 2) Commencement of this event and physical delivery of this contract constitute verification of an oral agreement and bind all parties to the terms contained herein.
- 3) Cancellation Policy: Greater than 60 days prior to event, no penalty; 59-30 days prior to event, 25% of contracted amount; 29-15 days prior to event, 50% of contracted amount; 14 days or less prior to event, 100% of contracted amount.
- 4) It is agreed that in case of emergency or act of God preventing act(s) or supplier(s) scheduled from appearing, suitable substitutions may be made, subject to Client approval.
- 5) This binding agreement between parties hereto shall be governed by all rules and regulations of unions involved and is subject to the return of signed contracts by act(s) / supplier(s). Client shall be notified within 14 days of the date of this contract of any act / supplier's non-acceptance.
- 6) It is understood that any props or equipment utilized for the above event shall be considered as rentals and any loss or damage caused by Client's guests may be billed at replacement cost by the Producer. Costs of staging, electrical power hookup, facilities and copyright license fees are not included in above prices unless otherwise specified.
- 7) This binding agreement between parties hereto shall be governed by the laws of the Province of British Columbia, Canada and any action initiated to enforce the terms of this contract by or against the Producer or by or against act(s) / supplier(s), will have its sole and exclusive forum in the city of Vancouver, British Columbia, Canada.

ACCEPTED BY CLIENT (Signature)

DATE:

ABC EVENT COMPANY LTD. (Signature)

Source: Adapted from Matthews (2016)

6.8 CONCLUSION

Contracts and agreements take place between the event stakeholders. Contracts can happen between the producer and the client, or between the producer and suppliers. Contracts serve as a legal document stating the expectations of the involved parties and the strategies to resolve the negative situations. Realising the importance of contracts in event management, this Unit has focused on elements of contract, contract development process, and contract management process including dispute resolution and claim settlement. In the next two Units we will be learning about the risks involved in events and their management.

Check Your Progress II

Note: Use the space provided for your answer

- 1) What factors strengthen the negotiating skills of an Event Company with suppliers? Explain.

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- 2) Why is it essential to administer a contract? Which aspects are considered while managing a contract?

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- 3) Describe the various reasons leading to problems in contracts.

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- 4) Explain any two methods under ADR (Alternative Dispute Resolution).

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- 5) Explicate the clauses which the venue contract should mention in the contract document.

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6.9 LET US SUM UP

Contracts and services agreements become essential tools for the purpose of professional trading and business relationships. In the absence of clearly defined and agreed contracts, there can be misunderstandings, failure of meeting expectations of client, customers and suppliers, and various other types of problems. The event manager has to be thoughtful enough in forecasting the potential areas of disputes and confusions in long run. A contract comprises of two parts – the terms and conditions, and clauses. In order to organize an event, an event planner has to enter into an agreement with clients, suppliers and service provider. There are three types of contracts used in the event industry: cost-plus, fixed price, incentive and mixed.

The stages of contract management process include negotiation, specification, contract and administration. Moreover, since different stakeholders have different system requirements that meet their need to perform a set of tasks, the terms and conditions, clauses and riders are to be predicted which are specific to the concerned stakeholder. Contract problems can emerge for a variety of reasons. These include disagreement, conflict, variation, breach, miscommunication, misinterpretation and unrealistic expectation. To reduce the chance of a problem escalating into a dispute, the issue needs to be identified, discussed and resolved. This can be attained through open communication, co-operation, mutual understanding of the problem and a desire by all parties to resolve it before it is escalated into something more serious.

6.10 KEYWORDS

- Security Deposit** : An amount, generally a percentage of the hiring fee, to be used for any additional work such as cleaning and repairs that result from the event.
- Exclusivity** : It is the right of a sponsor to be the only company within its product or service category associated with the sponsored property.
- Rider** : A contract rider is an attachment to a contract. It can be a schedule, an amendment or any other writing that may modify the original contract. Riders allow contract drafters to avoid rewriting an entire contract.
- Indemnity Clause** : A provision in a contract under which one party (or both parties) commit to compensate the other (or each other) for any harm, liability, or loss arising out of the contract.
- Arbitration** : It is a form of alternative dispute resolution (ADR), and is a technique for the resolution of disputes outside the courts. The parties to a dispute refer it to arbitration by one or more persons (the arbitrator or arbitrators), and agree to be bound by the arbitration decision. A third party reviews the evidence in the case and imposes a decision that is legally binding on both sides and enforceable in the courts.

Invoice	: Bill for itemized goods or services.
Litigation	: It's a legal method for settling controversies or disputes between and among persons, organizations, and the State. In litigation process, a case (called suit or lawsuit) is brought before a court of law suitably empowered (having the jurisdiction) to hear the case, by the parties involved (the litigants) for resolution (the judgment).

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Links

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https://en.wikipedia.org/wiki/Breach_of_contract

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6.12 CHECK YOUR PROGRESS - POSSIBLE ANSWERS

Check Your Progress I

- 1) Agreement means coming to a mutual arrangement for something. Contract is the legal definition of agreement which is a negotiated agreement and is legally enforceable. Therefore, according to Indian Contract act, 1872 all contracts are agreements but all agreements are not contracts; rather only those agreements are contracts which are enforceable under the law.
- 2) The aspects which need to be included under event details while drafting the contract are:
 - **Venue details** including time and location of the event. One should list the event venue name including a specific room name if applicable, address, phone number, contact person, date, start and end times of the event, start times / setup / strike times for suppliers and artists, technical and rehearsal times, and the length of performances as and when applicable.
 - **Specifics of service(s) or product(s)** such as a detailed list of audio equipment, décor items and where and how they will be installed, the names, types, schedule and lengths of performances including the details of the number of persons involved wherever applicable.
 - **Specifics of additional** services required by the client or supplier or event producers such as the client might ask for food and beverages for staff in the green room. Thus, such additional services must be included in the terms and conditions of the contract.
 - **Compliance with regulations and standards:** As it goes without saying, wise use of resources, compliance with safety and design regulations and standards are to be followed throughout the event production. However, these should also form a part of all supplier contracts.
- 3) An indemnity clause in a contract states that one party agrees to ‘indemnify’ (and often also to ‘hold harmless’ and ‘defend’) the other party. To indemnify someone means to absorb the losses caused by that party, rather than seeking compensation from that party, or to compensate that party if something you do (or fail to do) causes them to experience loss, damages, or a lawsuit from a third party. For example, if an Event Management Company misrepresents a company or its brands in the event, or on any media platform, and this causes reputational or commercial loss to the company, then the event company will need to cover and absorb all the losses caused due to this action. The indemnity clause in the contract will cover this.
- 4) Rider is the additional provision, schedule, amendments, or any other changes which are annexed to the original contract in order to modify it. The prime

objective of a rider is to avoid rewriting and redrafting of the entire contract document.

- 5) There are four types of contracts that are used in the event industry. They are cost-plus, fixed-price, incentive and mixed contracts. Cost-plus contracts are the contracts wherein, the contractor quotes a cost directly to the client. There is a common contract made between the event company and its clients/ sponsor. The event company charges the client either a percentage of the gross amount (total cost of the event) or a straight fee on each of the elements of the event and bills other costs to the client. In fixed-price contract, one price is determined for the whole resource allowing the suppliers or vendors to use their own subcontractors to give the final deliverable to the event management company.

Check Your Progress II

- 1) Background and Precedent are two factors that strengthen the negotiating skills of an Event Company with suppliers. Background means developing an understanding about the suppliers or clients. It enables us to identify how valuable is our event to them and also helps us to understand how far to go in negotiations. Background research usually pertains to the competitors' position in market in the past few years; business scale; current business in-hand; and potential customers help to understand the background of the suppliers. Negotiation at the right time is also a strategic tool to work out best results. Precedents refer to any similar successful contracts which can be used as a powerful argument and referred to during the negotiation. Therefore, one should be very careful while framing the contract as the contracts should not set the precedents which are regretted later on. For example, reducing or increasing the fee will be difficult once the precedent has been set. Precedents can also be useful in crafting the specifications and terminology for special effects and other unusual event elements.
- 2) It is very essential for the event planner to manage contractors as the words on paper and the possibility of legal action will not make all contractors comply with the contract terms and conditions in spirit. The administration of the contract includes: *Briefing all the contractors* about any changes, any uncommon event conditions or special corporate requirements and share the progress report; *Review of tasks and responsibilities* by forming a contract administration team to avoid last minute hassles and crisis situations; and *handle variations and claims in contract*.
- 3) Contract problems can emerge for a variety of reasons. These include disagreement, conflict, variation, breach, miscommunication, misinterpretation, unrealistic expectation, too much time spent on negotiation, lack of sufficient knowledge about event activities so as to properly describe the desired products or services, lack of legal aspect of contract, lack of timely progress reporting system, not documenting variations in writing and so on.
- 4) ADR is a method which includes negotiation, mediation, conciliation and arbitration in increasing order of complexity and decreasing amount of decision-making control by the parties. Two methods are explained as follows:

Negotiation

In this, the involved parties converse with each other with the purpose of arriving at a settlement. Usually the dialogue occurs without the assistance of a third party, but occasionally, a neutral third party may be brought in to simply keep the parties talking and to record proceedings.

Mediation

In mediation the neutral third-party intervener is introduced to facilitate the process but it does not impose the solution. The parties select the mediator and the mediator assists the parties to understand the dispute, to provide structured discussion and to help the parties reach a dispute settlement agreement.

(If not the above two methods, you can discuss conciliation and arbitration in your answer).

- 5) The venue contract should have clauses, including indemnifying the venue against damages, personnel requirements and provision of security staff. The contract can also contain the following elements: security deposit, penalty for cancellation of the event, access to authorized areas, timings for the access through entrances, penalty for the event going overtime, free tickets for the venue management, permission for alterations to internal structures and usage of promotional material.

UNIT 7 EVENT RISK MANAGEMENT-I: NORMS AND POLICY

Structure

- 7.0 Objectives
- 7.1 Introduction
- 7.2 Risk Awareness: Types of risks
- 7.3 Development of Event Safety Norms
- 7.4 Risk Management Policy
- 7.5 Let Us Sum Up
- 7.6 Keywords
- 7.7 References and Suggested Readings
- 7.8 Check Your Progress - Possible Answers

7.0 OBJECTIVES

Risk is an integral part of an event, therefore, the event organizer must prepare and follow safety and security norms and policies. Planning for safety and security of an event, event attendees and other stakeholders is of paramount importance for every event organizer. In the earlier two Units of this Block we had studied about the various laws and legal formalities to be completed so as to minimize the legal pitfalls. We have also studied about various licenses and permissions required by event organizers to execute an event. These legal formalities, licenses and permissions are also instruments for ensuring safety. There are other potential risks about which we need to know and prepare in advance to combat these risks. In this Unit, we will study how the event organizers can protect the attendees, other stakeholders or the event itself from all possible threats by building risk management policies and following safety and security norms. After reading this Unit you will be able to:

- Understand the meaning of risk and importance of risk management system in event management;
- Identify the risks associated with an event; and
- Learn about event safety norms and risk management policy as integral to risk management.

7.1 INTRODUCTION

Risk management system has a significant role in ensuring the success of the event. Nothing can be left on chance factor. Every professional event organizer essentially requires the knowledge of procedures and tools of risk management to avoid possible future litigations and crisis situations. One has to accept that risk is an integral part of the event which means that even with an excellent event plan the risk factor associated with the event cannot be ruled out. There have to be risk controlling measures; for example, no matter how much fire-resistant material has been used in venue decoration, the event planner has to keep arrangements for fire safety measures.

Since, a potential risk is associated with every aspect of an event, being careful and prepared is not only a sensible act but a serious demand from the event organisers. Definitely, the degree of care expected from event professionals is more than an ordinary person. On occurrence of any failure or harm due to negligence, event professionals are not spared for their long standing past good records but are pointed for their failure. Lawsuits are filed, reputations are ruined and they have to go through devastating emotional and financial consequences. Therefore, standard risk management procedures must be followed by professional event organisers.

7.2 RISK AWARENESS: TYPES OF RISKS

Risk and Risk Management

Risk is defined as the possibility of loss, injury, or any other adverse unwelcome circumstance. Risks can come from uncertainty or change in the work environment, practical situations that are different from what was expected (at any phase of event cycle i.e. design, development, production, or execution), legal liabilities, credit risk, accidents, natural calamities, disasters as well as deliberate attack from an adversary. Risk can also be measured and expressed as a probability of not being able to achieve defined goals of the event due to any reason. Thus, risk is any negative occurrence on site and off site which gives the event negative publicity, and leads to a loss of life or property due to this negative occurrence.

Since risks have a negative impact on the event these need to be managed. As an event professional, it is a legal, ethical and financial responsibility to make the event activities and its execution maintain highest standards of safety possible, else the event organisers may be held responsible and accountable for any losses or harm that occurs during the event. Many renowned event management companies in fact complete risk analysis prior to the submission of the proposal to assess the feasibility and the cost of a safe and successful event. Everything in the event plan whether on-site or off-site must be evaluated from the safety point of view. The evaluation is done with respect to both internal and external customers; internal customers include event team, paid staff, volunteers, partners, vendors, sponsors, artists and performers while external customers include participants, attendees and guest of honors.

Getz defined risk management as *the process of anticipating, preventing or minimizing potential costs, losses or problem for the event, organization, partner and guests.* Leopkey and Parent described risk management as *a process that involves assessing all possible risks to the event and its stakeholders and then strategically avoiding, preventing, reducing, diffusing, reallocating, legalizing or using relationship management to mitigate the identified risks.* Thus putting it comprehensively, *event risk management is a term applied to a logical and systematic method of identifying, analyzing, evaluating, treating, monitoring, and communicating risks associated with any activity, function, or process during the planning and execution of an event to ensure minimum losses and maximum profit* (we will be studying about risk management process in detail in the next Unit).

Events are susceptible to risks and crises due to their size; event activities; use of equipment, technologies, and infrastructure; and gathering of large numbers of people at the event site(s) during a defined period. Potential risks not only cover the areas of event operations, including health and safety of guests, workers, crowding, and compliance with local laws and regulations but may be external to the organization and could be created by audience members, suppliers or competitors. Thus, risks can be divided into those caused by internal forces and those caused by external influences. In other words risks are not just related to the host organization and its operations, but are also related to potential external risks from broader political, economic, environmental, social and technological environment in which the event operates. Based on the above understanding, various risks that could negatively impact the event’s ability to achieve its objective and successful execution are shown in Table 1.

Table 1. Types of Risks

Potential External Risks
Natural disasters (earthquakes, hurricanes, bad weather, floods and droughts)
Acts of violence, theft, material loss during transportation and crime of opportunity, terrorist attack on venue, state or city, aircraft
Negative media coverage or negative publicity against the event
Cyber theft and cyber terrorism, theft of Intellectual Property Rights
Changes and delays
Risks linked with Event Operations
Poisoning or contamination of food and water
Low ticket sale, lack of sponsorship, over expenditure
Crowd leading to loss of life or injury due to accidents, stampede, and riots
Facilities and surroundings: fire, electric and gas supply, stage, pyrotechnics
Collapse of communication system
Financial loss in terms of over expenditure, penalties and litigations
Risks related to intake of alcohol and drugs

Potential External Risks

Threats due to Natural Disasters

Any natural disaster like earthquake, heavy rain, non-stop snowfall, hurricane, storm, flood and drought is a risk. These risks cannot be prevented but if the venue (geographically) is situated at a place which is prone to any of these, adequate contingency and crisis management planning should be done. An event risk manager must study the geographical conditions of the venue very carefully. Some regions are naturally more inclined to natural threats and should be preferably avoided. If selecting such venues is unavoidable, the detailed preventive, contingency and crisis plan to deal with them should be prepared.

Acts of Violence (risk to personal safety)

Acts of violence include violence at workplace, violence against visitors (event attendees), social disorder by gangs or hooligans and violence against property. Some of the typical event crimes of violence involve carjacking, kidnapping, mugging, sexual assault and murder. The pedestrians and people in car parking are especially prone to such risk.

Theft, Material Loss during Transportation and Crime of Opportunity

Crime of opportunity (risk of material safety) during an event includes auto theft, 'con' games, property theft, pick pocketing or distraction and vandalism. Event attendees spend a lot of money in attending events. They travel, stay in public places, eat outside home and pay for all these. Such event attendees are served by a lot of people and staff employed by different employers. Hence the possibility that there could be the risk of loss of money or belongings of guests, theft or the extortion of money for services cannot be ignored by the event organizer.

Terrorist Attacks

Terrorist attacks (a major threat to personal and material safety) have been feared a lot since Palestinian terrorists murdered members of the Israeli team in 1972 Olympic games and since the bombing of Constitutional Park in Atlanta during Atlanta Olympic Games of 2000. However, event risk analysis and management gained new importance after the terrorist attack on World Trade Tower on September 11, 2001. The act of war or terrorism is now a very important factor that every event manager must consider well in advance. All events whether mega events like Olympics or mini events like family gatherings are vulnerable to violence and lead to on site crisis which is invariably reported to the media. The perception about the event crisis tends to be almost as devastating as the crisis itself. The location of crisis is always remembered and feared. The reputation of those managing such events where such crisis happens tends to get tarnished forever. Hence event organizers must also consider and plan for the risk of terrorist attacks.

Negative Media Coverage or Negative Publicity of Event

The event is successful only if the media projects it to be so and event guests are happy and satisfied. However, when the media projects any shortcoming of an event and any kind of mishap, the reputation of the event gets negatively affected. Thus, the risk of negative coverage by media is there and event manager has to be in touch with media personnel to give them positive feedback of the event. Even if something goes wrong, the media can project the positive efforts of event organizers.

In today's times, other risks arising due to current trends are *misuse of computers or laptops, cyber theft, cyber terrorism and theft of intellectual property (IP)*. Computer and laptop can be prime theft targets. Hence the safety and security of these emerge as a major concern. The increased dependence on internet and computers may lead to cyber attacks and scams. Further, in conference and meeting related events, there may be stealing of IP as a great deal of information is used during these meetings. Event organizers will have to be more alert and prepared by forming new strategies and developing more appropriate methods, to deal with such risks as well.

Changes and Delays (risk of negative perception of people regarding event or change in event programme plan)

Changes or delays can lead to many unwanted situations which cause a lot of damage to the entire event happening or cause dissatisfaction to the event attendees. For example, the chief guest for the event is a film celebrity who due to delay of flight is unable to reach the venue on time. The fans waiting at the venue site for a glimpse of their favorite star may get bored by the delay. Also, if he fails to show up due to last minute changes, the guests would be disheartened and the event would be branded as failure in spite of all the efforts of the event organizer. Similarly, when a star performer, who has agreed to perform at an event many months prior to the day of event, gets into some kind of controversy, it could cause an event to fail. It takes many months to plan an event but any change just before the event, like celebrity or chief guest getting into trouble or not showing up for the event, may be disastrous for the event. Thus, an event risk organizer needs to have a contingency plan for all kinds of changes and delays to minimize the risks due to changes and delay.

Risks linked with Event Operations

When the event is not managed properly or risk arises through inactions / negligence of event organisers, the post event damage control can be more expensive than planning risk prevention and control. Also one negative event or occurrence can influence other events in the same venue or by the same event team.

Poisoning or Contamination of Food and Water (risk to health, catering safety)

Poisons can contaminate air, water or food. Poison is anything someone eats, breathes, gets into eyes or on the skin that can cause sickness or death. Poison can be solid, liquid, spray or gas. Common substances like buttercup flower or oven cleaner could be used as poison (intentionally). Some other common substances like personal care products, household products, medicines and vitamins, plants and lead paint, if used incorrectly, can also become poison (unintentionally). Carbon monoxide in the environment can also be poisonous if its level increases in the air.

The main way to avoid poisoning incidents is to focus on prevention. The bottles and containers in which poisonous chemicals are stored should be carefully labeled both in words and symbols. All packaging should be child proof.

The food or water can get contaminated or can develop bacteria rapidly during summers resulting in food poisoning. Thus, ensuring food safety in preparation, storage and serving need to be carefully monitored to avoid such incidents. The quality of water used for cooking, drinking, bathing or swimming also needs to be monitored to avoid related risks and should be purified.

Financial Risk due to Low Ticket Sale, Lack of Sponsorship, Over-expenditure

Every event has a potential financial risk. The method of finance generation of an event also decides the type and level of risk. When the event is sponsored, generating enough sponsorship to cover all expenses and ensuring profitability becomes a challenge. Lack of sponsorship or / and one or more sponsors backing out just before the event can lead to huge financial problems. The financial risk is even higher if the finances for the event are to be generated by selling tickets.

Low ticket sale can cause financial failure for the event. Similarly, if the event team overspends on the event and is unable to ensure profit or recover its cost, it leads to financial risks.

Risk Related to Crowd: Loss of Life or Injury due to Accidents, Stampede, Riots (risk to personal and material safety)

Crowds are like sea, dense and cohesive, and never entirely still. Crowds can turn from peaceful assemblies to riotous mobs. They are open to suggestive behaviour. Crowds do not listen to those in authority of management. However, the security personnel must control the crowd's growth and movement. When crowds get out of control, they either become a mob or begin to panic. Mobs spread this panic to even those who are not part of it. The combination of alcohol, drugs and crowd formation is even more risky. Crowds can develop suddenly, spread fast, can easily jump barriers and can lead to massive destruction of property and loss of life.

The eruption of crowd is one of the biggest nightmares for all risk organizers. The Kumbh Mela in India is the largest gathering of people and crowd management has always been the biggest challenge for its organizers. However, crowds can be channeled and controlled for good purposes. For this an event manager has to be very alert and must take all possible preventive measures. Also, for events where the possibility of crowd formation is high, alcohol and drugs should be banned as an important preventive measure. There should be ample provision of human resource, both as volunteers and security personnel to control crowds. The best crowd control efforts involve local law enforcement personnel, event organizers, media and anyone who can provide historic or demographic information.

Risks to Surroundings and Facilities: Fire, Electric, Gas Supply, Stage, Pyrotechnics (risk to material safety)

Fires carry multiple risks. They are a threat to the venue, stage, building, equipment and above all to human life. If the fire breaks at the venue of event, it can also lead to stampede and is specially a major threat to senior citizens, those who are physically challenged and people with impaired mobility. Fire can breakout due to short circuit of electricity or due to inflammable material (like plastic or upholstered seats, cloth or wood paneling etc.) catching and spreading fire. The places where some kind of fire is used in the event are especially vulnerable to such incidents. Therefore, if organizers are planning to have small fire for esthetics or bonfire in the event then they must take all preventive measures like use of fire resistance material for the venue. Smoke alarms, smoke detectors, sprinkler system, and fire extinguishers should be placed at different places. Emergency evacuation plan should be discussed with fire officials. Fire brigade should also be ready as part of contingency fire safety plan and should be discussed with the fire department. Every event organiser must develop and follow norms to deal with this risk as discussed later in this Unit under fire safety norms.

The risks and accidents due to electrical short circuit, fire triggered by electrical cable, and electric shocks are also of concern to event risk managers. It is especially so because the managers may have no knowledge of the electric cabling of the venue or the building. However, risk manager should have basic knowledge of electric standards and must get the electric cabling checked by professionals before the event to prevent any major incident caused due to it. The cooking gas

can also be a source of risk, if it goes out of control. It can lead to fire, explosion or poisoning. Thus, the event safety manager should also get the gas supply of the venue checked before the event. Box No. 1 presents a case study of fire at an event.

Box No. 1



‘Make in India Week’ event at Girgaum Chowpatty: A Case Study

On 14th February, 2016 ‘Make in India Week’, a cultural event was organized by the Maharashtra government at the Girgaum Chowpatty in Mumbai. The event witnessed close to 20,000 people along with A-list Bollywood stars and Political figures. However, the glitzy song and dance night of ‘Make in India Week’ turned into a disaster after a massive fire on the stage brought the festivity to a halt. The fire broke out under the stage when a troupe of dancers was performing on the stage.

The Mumbai Police and Mumbai Fire Brigade took control of the evacuation and of extinguishing the fire respectively. Fortunately no one was hurt. As per the investigation report, the incident was a sheer outcome of willful negligence of fire safety instructions. In the report submitted by Mumbai Fire Brigade, the cause of fire was stated as ‘defective electric circuit’ contributed by storing highly combustible material below the stage.

Source: indianexpress.com February 24, 2016; www.thehindu.com February 14, 2016

Stages or structures constructed as part of the event design can collapse or can lead to accidents. The construction codes and regulations should be kept in mind while designing and construction of any structure for event. Pyrotechnics or firework display can also lead to fire accidents, injuries or accidents. Thus the risk to event increases tremendously if pyrotechnics are used in it.

Collapse of Communication System (risk to smooth coordination and execution of event)

Communication is the backbone of event planning, coordination and execution. Any interruption in the communication process can lead to complete disruption of the event. The risk of misunderstanding or misinterpreting the messages between volunteers, security personnel, guests and other stakeholders can lead to major crisis like crowd stampede, poor execution of evacuation or rescue plan in case of any problem like fire etc.

Financial loss in terms of Over-expenditure, Penalties and Litigations

Post event financial losses due to litigations and any penalty imposed on the event organizers are another kind of financial as well as legal risk. Today, people

3) Explain any two risks which can arise due to negligence in event operations.

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7.3 DEVELOPMENT OF EVENT SAFETY NORMS

The health, safety and welfare laws are continuously changing and making their way for development of best practices in the event industry. The norms help event organizers, local authorities and emergency services to coordinate their efforts for better event safety. It is a prime responsibility of event organizers, emergency services and authorities for protecting the health, safety and welfare of everyone working at or attending the event. It is usually necessary to obtain public entertainment licenses from local authorities for organizing most events. However, some countries also have separate health and safety acts to govern norms related to the safety and health issues. Whether we have state defined laws to govern the safety norms or not, all event organizers must develop their own basic health and safety norms. These should become part of their policy and must be considered while planning, executing, controlling and evaluating every event.

Safety norms indicate various issues, items and provisions that we must consider or arrange in advance. Following are some areas where all event organizers must develop their own norms to ensure safety of all. In this Unit we will discuss some very critical aspects of event organizations for which stringent norms should be developed and followed.

Venue and Site Design

Before selecting or finalizing any site for holding any event, it's suitability in relation to event size and design must be considered. The event organizers need to develop norms for site suitability assessment and site plan. Following are some of the parameters they must consider for the same:

- a) **Site Suitability Assessment**
 - Traffic, and pedestrian routes, and emergency access and exits
 - Position and proximity of noise-sensitive buildings
 - Geographical location
 - Topography
 - Location and availability of services - water, sewage, gas, electric, telephone etc.

After selecting a venue, the event organizers must have norms regarding site plan to ensure the safety of event workers and event attendees.

b) Site Plans

Following are some very important considerations for event safety:

- Site-design considerations
- Venue capacity / occupancy
- Exit requirements
- Venue access
- Entrances
- Sight lines
- Video screens
- Seating arrangements
- Slopes
- Observation points
- Production infrastructure and backstage requirements
- Fire and ambulance requirements
- Police and stewarding positions
- Site workers
- Hospitality area
- Noise considerations
- Catering and merchandising
- Perimeter fencing
- Front-of-stage barrier requirements and arrangements
- Area below the stage
- Signage
- Welfare facilities
- Excess visitors

c) Structures

Many events require the provision of temporary demountable structures, example grandstands, stages and marquees. Managing the hazards connected with these structures is just as important as managing other hazards. This can only be achieved if all those responsible for these structures undertake their duties conscientiously. The failure of any temporary demountable structure in a crowded confined space could have devastating effects. It is therefore essential to design and erect structures to suit the specific intended purpose and to recognize that the key to the safety of these structures is largely in the:

- Choice of appropriate design and materials
- Correct positioning
- Proper planning and control of work practices
- Careful inspection of the finished product

d) Barriers

Barriers at events serve several different purposes. They can provide physical security, as in the case of a high perimeter fence at an outdoor concert, or be used to prevent the audience climbing on top of towers. They may also be used to prevent the build-up of audience pressures, for example through a properly constructed front-of-stage barrier. Barriers will always be subjected to loading and should therefore be designed to withstand right angle and parallel loads in line with the probable pressures.

e) Electrical Installations and Lighting

Electricity can cause death or serious injury to performers, workers or members of the public if the installation is faulty or not properly managed. In many circumstances the electrical supply may be of a temporary nature, and can also be of sub-standard quality for a permanent installation. Only a competent electrician should carry out electrical work. All electrical installations and equipment must comply with the general requirements of the electricity at work regulations of the city or country. Many events and festivals extend into evening hours. Good lighting is essential to lessen the risk of injury and accidents. Even the chances of Crime of Distraction reduces if the area is well lit.

f) Generators

If generators are to be used, consider their location and accessibility for refueling purposes. Allow for the storage of the fuel, and accessibility for further fuel deliveries. The generator and its fuel should not be accessible to members of the public or other unauthorized people and may need to be fenced. If the venue is located close to a residential area, consider the noise-nuisance factor. Silenced generators may be suitable alternative at such times.

g) Pedestrian Safety

People at fairs, meetings, conventions and sports events often exhibit the same behaviour like children and take unfortunate risk while crossing the streets or roads. Pedestrian paths need to be designed to ensure the safety of all children and adults using them and to allow the smooth movement of traffic on the streets and roads.

h) Parking Lot Safety

The parking area should be well lit to avoid any crime and event risk managers should develop methods to remind people to lock their cars properly and leave no valuables inside the car. Cameras can also be placed in the parking lot and if possible adequate provisions for patrolling should be made to ensure safety in the parking.

Fire Safety

Fire safety is of paramount importance and for this event organizers must work with local fire department. The issues which must be discussed and considered seriously in case of fire are:

- **Location and number of Final Exits:** Final exit is the termination of an escape route from a building or structure giving direct access to a place of

safety such as a street, passageway, walkway or open space. This should be so positioned, as to ensure that people can disperse / exit safely from the vicinity of the building or structure and the effects of fire.

- ***Design and Demarcation of Means of Escape:*** Means of escape is the structural means whereby a safe route is provided for people to travel from any point in a building or structure to a place of safety without assistance.
- ***Proper Signage to Show Places of Safety:*** Place of safety is a place in which a person is no longer in danger from fire. Proper signages as well as major local languages should be used to show place of safety to people.
- ***Stairways:*** Any stairway, lobby, corridor or passageway, which forms part of the means of escape from the venue, should be of a uniform width, constructed and arranged to provide a safe escape for the people using it.
- ***Ramps:*** Where ramps are used the gradient should be constant and not broken by steps.
- ***Exit and Directional signs:*** Clearly indicate all available exit routes so that members of the audience and workers are aware of all the routes to leave the venue in an emergency. In addition, the provision of clear signs and exit routes in full view of everyone present will give a feeling of security in an emergency.
- ***Normal Lighting and Emergency Lighting:*** If used outside the hours of daylight, or in the absence of natural daylight, all parts of the venue to which the audience have access and all escape routes should be provided with normal lighting and emergency lighting.
- ***Fire-fighting Systems:*** Some venues designed for public assembly should have a fire suppression system, e.g. a sprinkler system, but generally portable or hand-held fire-fighting equipment, such as extinguishers, hose reels and fire blankets will be sufficient. All venues should be provided with appropriate portable or hand-held fire-fighting equipment and this provision should be determined at the planning stage in consultation with the local authority and fire authority.
- ***Means of giving warning in case of fire:*** Various fire-warning systems should be in place to provide information to stewards and everyone present so that all can be safely evacuated before escape routes become impassable through fire, heat or smoke. The means for giving warning should be suitable for the particular venue, taking into account its size, layout and the number of people likely to be present.
- ***Fire safety advice on curtains, drapes and other materials:*** The use of curtains, drapes, and temporary decorations could affect the safe use of the means of escape. Any proposal to use combustible decorative materials should be notified to the fire authority and local authority in writing. The proposal should be accompanied by full details, including samples of the material proposed to be used. Where a building is already being used for public assembly, the use of these materials will probably have been approved.

Crowd Management

The safety and enjoyment of people attending an event will depend largely on the effective management of the crowd. Crowd management, however, is not simply achieved by attempting to control the audience, but by trying to understand their behaviour and the various factors which can affect this. It is necessary to put a complete system into practice after understanding the underlying issues. Two important aspects to be considered in crowd management are:

- Audience profile
- Crowd dynamics

Crowd dynamics is the way in which crowds behave and respond. It is a combination of physical and other factors. The dynamics of the crowd will depend, in large part, on the activities of the crowd and this in turn will be influenced by the character of both the crowd and the groups or artists performing. Simply by being part of the crowd, individuals lose all sense of self and all sense of responsibility. Yet, at the same time, they gain a sentiment of invincible power due to their numbers. Once individual identity and the capability to control behaviour disappear, crowd members possess the spontaneity, the violence, the ferocity and also the enthusiasm of primitive beings. Thus, their behaviour becomes a huge risk to the event. To deal with this risk event organizers must prepare norms regarding the following:

- ***The character or acts of the artists or groups*** like diving into audience, throwing items at the audience and performing in audience arena can lead to crowd formation and accidents.
- ***The audience profile*** contributes to crowd dynamics. The audience may have more male than female audience (male female ratio), may have more young and teenage boys (age of audience), and may have consumed alcohol or drugs. The risk of crowd formation, vandalism and violence becomes high in such cases.
- ***Probable crowd activities*** like body surfing, slam dancing and stage diving would require stronger crowd management. It is important for stewards to be able to recognize and understand what 'normal' activities are for the audience and what can lead to crowd formation.
- ***Entry and exit of the audience*** should be checked and managed. Before the audience enters the venue, ensure that all exits are unlocked, escape routes are clear, emergency lighting works, fire-fighting equipment and alarms are in full working order and a Public Address (PA) system for use in emergencies can be heard clearly in all parts of the venue.
- ***Crowd pressure at the entrances*** can be reduced by keeping all other activities well clear of entry points, arranging for adequate queuing areas away from entrances, creating holding areas away from entrances to relieve the pressures on these points, and ensuring that barriers, fences, gates and turnstiles are suitable and sufficient for the number of people using them. Other measures can be: locating ticket sales and pick-up points away from the entrance, providing a sufficient number of trained and competent stewards and arranging for a short-range PA system and megaphones to be made available at entrances to notify people of any delay.

- **Admission policies** can have a direct effect on the rates of admission, the management of entrance areas and audience accommodation. Crowd management preparations should be in accordance with the number of expected people.
- **Police involvement** at the event can help in sharing the crowd management responsibilities.
- **Developing crowd control teams** for crowd management are important. These teams must network closely with each other, with the police and event organizers.

Aids to crowd management

- Use of PA systems and video screens
- Stewarding: deployment of sufficient numbers of stewards at appropriate places, organisation, conduct, competency, training and welfare of stewards
- Traffic management: traffic marshalling, public transport management, on-site vehicle management and temporary roadways
- Vehicle parking and management: vehicular access, parking
- Pedestrians walkways
- Emergency access

Food Safety

Ensure that the delivery, storage, preparation and sale or service of food complies with the relevant food safety legislation and where appropriate consideration is given to the advice given in the relevant industry guides and codes of practice. This will include mobile catering units, catering stalls and marquees, crew catering outlets, hospitality catering, bars and ice cream vendors, etc. Ensure that food businesses carry out their work in a safe and hygienic way. Examine the following documentary evidence from each caterer:

- Identification and control of potential food hazards by all catering operations,
- The identification and control of potential health and safety hazards by all catering operations,
- Provision of appropriate fire extinguishers, and proper training of all food handlers,
- The suitability of all premises used for the production, sale or serving of food,
- The suitability of the equipment being used,
- Transporting food safely and separately from any potential source of contamination,
- Storing and disposing of food waste (solid and liquid) properly,
- The maintenance of high standards of personal hygiene of food handlers,
- The proper storing, handling and preparation of food,
- The provision of a drinking water supply,
- Insurance of all food businesses including public, product and employers liabilities,

- The possession of electrical and gas installation compliance certificates by all food businesses, and
- The possession of a properly equipped first-aid box by each operating unit.

Contact the local authority environmental health officers (EHOs) for advice on food safety and hygiene. EHOs may wish to carry out an inspection of the catering facilities provided at the event. They may also require event organizers to provide them with a list of caterers who will be attending the event.

Drinking Water Safety and Quality

The provision of free drinking water is important at all events. Open-air concerts, dance events and all events attended by a large number of people especially in hot weather need safe drinking water arrangements for all event invitees, volunteers and event performers. Generally all water should be provided from a mains supply, but if this is not possible then water dispensers of assured good quality water can be used. All water dispensing equipment should be clean, well maintained and suitable. It is considered good practice to sample and test temporary water supplies for bacteriological safety, especially those provided at outdoor events.

Alcohol and Bar Areas

Alcohol comes under the definition of food and should meet the requirements of the relevant food safety legislation, associated industry guides and codes of practice. Special license needs to be obtained if alcohol is to be served. Ensure that the operation is designed to allow the free flow of people to and from the bar service areas to prevent congestion and crushing.

Sanitary Facilities

Ensure that adequate sanitary provision is made for the number of people expected to attend the event, and that due consideration is given to location, access, construction, type of temporary facilities, lighting and signage. Construct and locate toilets so that people are protected from bad weather and trip hazards. The floors, ramps and steps of the units should be stable and made up of a non-slip surface construction material. Protect connecting pipe work to avoid damage. Toilets should be readily visible, well lit, and clearly signed from all parts of the venue.

Sanitary provision for people with special needs

Provide appropriate sanitary accommodation for wheelchair users and other people with special needs attending the event. The Disability Discrimination Act 2005 (India) will apply with regard to sanitary accommodation for people with special needs. Also consider access to toilets for people with special needs. Supply fixed and stable ramps wherever appropriate. Position facilities close to any area set aside for people with special needs such as viewing platforms, and ensure they are suitably designed.

Sewage Disposal and Waste Management

Different water authorities have different policies regarding waste disposal, and many disposal sites are closed at night-times and at weekends. If effluent (waste water flow) needs to be stored on site until off-site disposal facilities are open, it

is essential that adequate holding tanks are provided on site in a safe and secure location. Seek advice on safe effluent disposal from the appropriate water authority and local authority and ensure that a licensed contractor is employed for removal and disposal of effluent. Arrangements should be documented and agreed with the contractor before the beginning of the event.

Large quantities of waste materials will be generated at most events. Waste needs to be managed carefully to minimize the risks associated with its accumulation, collection and final disposal. While planning waste management norms, consider the following:

- Types of waste
- Hazards posed by waste
- Areas where waste is generated and the types of waste
- Methods and time of collection
- Methods and time of removal
- Recycling options

Sound: Noise and Vibration

High sound levels present a risk to hearing, both for those working at an event and for the audience. High levels of vibration can have serious consequences for the integrity of temporary and permanent structures. Both sound and vibration can lead to noise nuisance outside the venue. Therefore, proper control and management of sound and vibration levels is needed both in rehearsal and during the event.

Most members of the audience will not attend events regularly enough to suffer serious hearing damage solely as a result of going to events. However, for the community impact of noise from events, many local authorities already have environmental music noise control protocols which they apply to venues in their district. Also, music in open areas cannot be played after 10 pm and PA (Public Address) system must be shut down to avoid disturbance to the people who are not part of the event but are living in the surrounding areas. To enable effective management of sound and vibration levels, both in terms of ear protection and external nuisance to the nearby community, a pre-event assessment of likely sound levels, coupled with monitoring and control of sound levels during the event will be necessary.

Media Coverage and Projection

Many event organizers tie up with media houses to ensure correct and positive projection of the events' image. The media channels are projected as 'media partners' of the event and have responsibility to carry event organizers' message to the larger audience. This covers the risk of post event negative publicity against the event.

Insurance

Insurance helps the event organiser to minimize the risk of financial losses due to natural and man-made risks. Financial compensation in case of any mishap can safeguard financial losses to the event organisers. There can be a number of issues that can damage an event and are beyond the event manager's control.

Disasters could be extreme weather conditions or outbreak of a contagious disease, and these impact event performance. Claims can be made from attendees who have injured themselves in an event or those who have perceived the event to be unsatisfactory (may be because of change of venue or cancellation of the main act or actor). *Insurance is an arrangement by which an insurance company or the state undertakes to provide a guarantee of compensation for specified loss, damage, or death in return for payment of a specified premium.* Every event manager should see that the event is insured, so that liability on their part is minimum.

Event insurance can typically cover items like cancellation of the event, failure to vacate the venue, venue bankruptcy, non appearance of celebrities, damage to equipment, damage to property and legal liabilities. The event manager should obtain correct insurance to minimize the liability for organizing an event. A small example for event insurance is when Unique Events was forced to cancel the New Year's Eve 2006 due to severely bad weather conditions. Unique Events was luckily able to cover ticket refunds and other financial loss, as it had sufficient cancellation insurance. Other insurance policies that should be considered in event management are errors and omissions policies (for any claim for breach of professional duty through any act, error, or omission by the event manager, event company, or their employees), and climate insurance against occurrences such as rain and others. Insurances such as personal accident insurance for the volunteer workers, property insurance, workers compensation insurance, public liability, directors' and officers' liability are also important. The choice of any of the above insurance covers can be spelled out by the risk management strategy developed by the event management.

An event manager has to identify, assess and evaluate risk involved in every event separately at the time of doing event feasibility assessment which we learnt in the previous Block. Event insurance should therefore be in place for the entire planning process. Claims against insurance can be reduced by careful risk analysis and prevention strategies. A certain level of insurance is required by minor events and another level of insurance for major events by cities. A number of different stakeholders are potentially liable for an event. Hence the event organizers should limit their own liability by managing risk and ensuring that subcontractors are also insured. Hence all contracts signed with sub contractors such as a company that does rigging / lighting, and all other suppliers of products and services should show that they have a liability cover. These levels of insurance may vary from one city or municipality to another. Salient points regarding insurance process for event management are the following:

- The Event Management Company (EMC) should be fully covered for the whole time, right from the first meeting.
- Firstly, care has to be taken to find the right insurance broker. Enough time should be used to investigate and arrange the correct insurance.
- The insurance broker should be given all information regarding the event, the EMC and the stakeholder companies involved. A list of possible hazards should be included.
- There should be a valid contract regarding the venue. It is wise to exchange copies of insurance policies with venue managers. The event organizer should not choose an unprotected site or a site that is inappropriate for the kind of

event the EMC is organizing. This could expose the event manager and event volunteers to lawsuits. Beyond the law of the land, caution should be made to see that no additional responsibility is put on the event manager.

- A claimant can formulate a claim anytime after the event. Hence the EMC should preserve all the records.

Table 2 provides details required by an insurance company or an insurance broker.

Table 2: Details required by Insurance Companies

Organisation Details Required
Health and Safety Policy
Experience of organisers (including details of key staff)
Number of insurance claims on recent events (if none, highlight clearly)
Information on staff training and procedures
Event Details Required
Event concept
Period of insurance required (from event build through to breakdown)
Event capacity and audience profile
Number of times the event has been held
Emergency arrangements and health and safety procedures
Site plans
List of attractions
Event equipment needing insurance
Other Details Required
Liaison with relevant authorities and health and safety groups
Production schedules
Risk assessments
Details of suppliers and their insurance
List of specialist contractors, such as pyrotechnic suppliers
List of contracts with others (sponsors, exhibitors, agencies etc.)

Source: Adapted from EventScotland 2006

- The event manager should ensure that adequate security is provided for the exhibitions property left at the venue because the event manager can be held liable for theft if reasonable precautions are not taken.
- One should be prepared to record details of any hazard or disaster or injury occurring at the event site. Photographs and videos will be helpful if taken.
- The event manager should take care not to assure liabilities or enter into contracts outside the scope of one's existing liability insurance. One should also make sure that the insurance contains the correct definitions of their business activities and geographical extent of cover.

- The event manager should check that the suppliers such as: venue and audio-visual suppliers, artists, entertainment agencies, staffing agencies, décor specialists and so on – have their own insurance and liability cover and are in compliance with industry and legal regulations.
- Transfer of liability of suppliers to event management should not be accepted.
- The event manager should take care of not accepting responsibility for the negligence of venue owners, contractors or event exhibitions.
- A professional event organizer should estimate her / his professional liabilities. Even if the event contract makes no mention of liabilities the event manager will have a liability for negligent acts, errors or omissions which arises under the law of torts for the provision of professional services.

The prominent insurance companies which provide event insurance in India are LIC of India, Bajaj Alliance, Reliance General Insurance, Max Bupa, AVIVA, Birla Sunlife, ICICI Lombard, Kotak life, and Metlife amongst others. The most important type of insurances purchased by the event organizer are commercial and general liability insurance. Apart from these, depending on the risk perceived, an event organizer can also buy fire and burglary insurance, group and personal accident insurance, profession indemnity insurance, workers' compensation insurance and so on. Workers' Compensation Insurance is obligatory and covers treatment and rehabilitation of injured workers. Under this type of insurance, volunteers and spectators are not covered because they are not paid workers. Instead, they would be covered under the event company's general liability insurance. Insurance companies in India cover majority of major events against the following:

- Event cancellation and abandonment
- Property damage
- Legal liability for third party
- Bad weather, interruption, non appearance of key person etc.
- Travel insurance
- Exhibit insurance
- Employers' liability

Intext Activity 1

Observe an event closely. Identify the risks for that particular event. Find out the insurance arrangements that have been made for that particular event in detail and write them down. Are there any other risks which have not been linked to the insurance covers? If so what other types of insurance covers will you suggest?

We shall be learning about risk assessment process in the next chapter. An event manager can use this process to identify the insurance need for an event and buy suitable insurance to cover financial risk by transferring it to the insurer.

7.4 RISK MANAGEMENT POLICY

Every event management organisation needs risk management policy which can help event manager to assess, plan and execute all events suitably. Every time an

event is planned, risk assessment and management exercise is undertaken. The overall risk management plan for the organization will address more aspects than just achieving event objectives. Let us now see what should be included in the risk management policy and manual to aid risk management process every time an event is planned.

Risk Management Policy

A Risk Management Policy is the overall guideline for how an organization will manage its risks. Every event organizing company must have Risk Management Policy to provide them with the guidelines for preventing and facing potential risks.

The broad objective of any risk management policy should be to establish, implement and maintain a risk management system with the aim of reducing risk and providing a reasonably safe environment for members, other participants and the general public. For the purpose of risk management as a matter of policy, all event organizers should ensure the following:

- Carry out a risk assessment of the event or determine critical needs and prioritize them.
- Prepare a schedule that details the identified risks and the organization's response to them.
- Follow the appropriate rules and regulations in respect of competition and to comply with all safety and risk management requirements of every event.
- Establish a good group coordination effort. It is essential to establish clear chain of commands.
- Pre deploy resources.
- Test and retest all warning systems just before the event.
- Develop a backup power plan and reliable communication system.
- Write and implement an event risk management plan / manual for its events ensuring that Organizing Committees meet certain requirements.

Risk Management Manual

On the basis of risk management policy of the event organisation a comprehensive risk management manual should be developed. Such a manual should look at the human, financial and other resources of the organization and the risks that are related to these. The manual can be printed and is used by event organizers every time they have to organize an event. Requirements will obviously vary in detail depending on the type and size of the event involved but all manuals have some common features. The risk management manual needs to include provisions for:

- The appointment of a person responsible for safety and risk management at the event usually called event risk manager.
- The identification of risks for the event, including the competition.
- The documentation of the measures proposed to deal with the identified risk.

- The physical inspection of facilities and equipment. (This may have been covered in the checklist). Again, the scope of these will depend on the type and size of the event. There should be an initial safety inspection in any case, possibly followed by further inspections of some or all of the venue areas.
- The documentation of inspections, including any corrective action taken. This can be done on the checklist or a separate sheet.
- Contact details of emergency personnel and agencies such as first aid and ambulance services, police, fire brigade, nearby hospitals, etc.
- Provision on-site of some of these services, possibly including an emergency management system.
- A system to ensure risk communication and forms signed by participants agreeing to all the terms and conditions in the light of potential risks.
- An incident reporting system that is communicated to all involved in the event.
- An incident / accident investigation system that helps to prevent a recurrence of the incident.
- Preparation of risk prevention checklists.
- Maintenance of Risk Register and updating it after every event to be used for feed-forward before planning the next event.

Event organisations can develop their own formats for the purpose or can borrow these formats from any reputed risk management organisation. Box No. 2 discusses a successful case study of crowd management and safety.

Box No. 2

Crowd Safety: The Hajj

Muslims consider pilgrimage to the holy city of Mecca, Saudi Arabia-known as the Hajj – as the most significant demonstration of their faith and unity. In December 2008, the world’s largest annual pilgrimage, the Hajj attracted two and a half million people.

The pilgrimage traditionally ends with the ‘Stoning of the Devil’ ceremony at Mina. As all pilgrims endeavour to attend this part of the festival, all pass through a small area, which has caused major crowd safety implications. Most people try to cast their stones after the lunchtime prayers, which have resulted in fatal stampedes in the past. This ceremony in 2006 led to the death of 362 people. After this tragedy, the Saudi Arabian government took steps to manage crowds at this crucial point in order to reduce the risk of future fatalities.

Their plan included the construction of a further two levels, resulting in a total of three balconies from which pilgrims could throw their stones, enabling freer and faster passage. Tens of thousands of personnel were hired to promote safety and to provide stewarding and safety-related services to attendees. Hundreds of closed circuits television cameras were installed along the route to monitor crowd movement allowing the timely correction of bottlenecks of pilgrims as soon as they arose and to enable stewards to clear groups of people as they gathered.

In addition to improving safety at the ‘Stoning of the Devil’ ceremony, the organisers have focused on the health of attendees. Over forty ambulances are now on hand to attend to victims of heatstroke, those experiencing breathing problems due to overcrowding and poor ventilation, and those who have been hit by rebounding stones. Cooling equipment has been installed inside the galleries on each balcony to maintain air circulation and reduce the temperature.

These modern measures, designed to reduce the risk of death and injury were implemented in order to bring one of the world’s oldest rituals into line with health, safety, welfare legislation and the progressive practices of the modern, international events industry. Impressively, the organisers have achieved this without losing the essence of its holiness and purity.

Source: Adapted from CNN, 9 December 2008

Check Your Progress II

Note: Use the space provided for your answer

1) Write short notes on the following:

- Fire Fighting systems
- Sanitary provisions for people with special needs
- Media coverage and projection

2) Describe crowd management in detail.

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3) How can insurance be used as an effective tool in minimizing the liability for organizing an event? Give 5 salient points regarding insurance.

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4) How can risk management policy and manual help event organizers in risk management?

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7.5 LET US SUM UP

Risk is an integral part of events. As an event professional, it is a legal, ethical and financial responsibility to make the event activities and its execution maintain highest standards of safety possible else the event organisers will be held responsible and accountable for any losses or harm that occurs during the event. Events are inclined to risks and crises due to their size; event activities; use of equipment, technologies, and infrastructure; and gathering of large numbers of people at the event site(s) during a defined period. Event risk management system is a term applied to a logical and systematic method of identifying, analyzing, evaluating, treating, monitoring, and communicating risks associated with any activity, function, or process during the planning and execution of an event to ensure minimum losses and maximum profit. Event safety norms are created under risk management system. These norms help event organizers, local authorities and emergency services to coordinate their efforts for better event safety. These norms must be considered while planning, executing, controlling and evaluating events. Event safety norms indicate various issues, items, and provisions that must be considered or arranged in advance. Event safety norms including crowd management and insurance, as well as policies have been discussed in detail in the Unit.

7.6 KEYWORDS

- Contingency / crisis management:** Contingency / crisis management leads to preparedness at the time of an emergency, disaster, or system failure. It utilizes risk assessment and is intended to identify vulnerabilities and threats, and to implement counter measures to prevent an incident or limit its impact should it occur.
- Crime of Distraction** : The category under crime of distraction includes such criminal activities as credit card fraud, pick-pocketing, and ‘quick change-of-bags.’
- Indemnify** : To secure someone against legal responsibility for their actions i.e. the insurance compensates for harm or loss of that person.
- Intellectual property** : Intellectual property (IP) refers to creations of the mind, such as inventions; literary and artistic works; designs; and symbols, names and images used in commerce. IP is protected in law by, for example, patents, copyright and trademarks which enable people to earn recognition or financial benefit from what they invent or create.

- Crowd dynamics** : It is the study of how crowds understand and interpret information systems, and how management systems affect crowd behaviour.
- Hazards** : A hazard is the condition that increases the possibility of loss.
- Negative publicity** : Negative publicity is adverse publicity that a firm may incur due to a particular reason, which may lead to potentially disastrous consequences. It results in the firm's reputation among its customers and competitors being badly tarnished.
- Insurance** : Insurance is a financial risk management tool in which the insured transfers a risk of potential financial loss to the insurance company that mitigates it in exchange for monetary compensation known as the premium.
- Carjacking** : It is the act of forcibly / violently stealing an occupied car.
- Mugging** : The act of attacking, robbing or stealing money from someone in a public place.
- Con games** : The act where the thief / swindler, after gaining trust of the victim, robs the victim by cheating at a gambling game / robs the victim of money, goods etc.
- Vandalism** : An act involving deliberate destruction / damage of property (public / private).
- Marquee** : A large tent used in a festival, fair, garden party, or any other outdoor event.
- Slam dancing** : Dancing to music (mostly rock music) in which people deliberately collide with each other.
- Heuristics** : Enabling a person to discover and learn something by herself / himself.
- Pyrotechnics** : These are indoor, close proximity small devices that create effects such as heat, gas, sound, dispersion of aerosols etc.
- Body Surfing** : It is an art of riding a wave without any support of a buoyant device.

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Links

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<http://www.nigeriaoilandgasinvest.com/wp-content/uploads/2013/09/Special-Effects-Fireworks-and-Pyrotechnics.pdf>

http://www.fmd.qut.edu.au/campus_services/facilities_hire/Event_Safety_Checklist.pdf

7.8 CHECK YOUR PROGRESS - POSSIBLE ANSWERS

Check Your Progress I

- 1) *Risk is any negative occurrence on site and off site and the negative publicity, loss to life or property due to this negative occurrence.* Risks associated with the event cover the areas of event operations, including health and safety of guests, workers, crowding and compliance with local laws and regulations and risks from external environment including the risks created by audience members, suppliers or competitors. Other external risks could be from broader political, economic, environmental, social and technological environment in which the event operates.
- 2) Event Risk Management is a term applied to a logical and systematic method of identifying, analyzing, evaluating, treating, monitoring, and communicating risks associated with any activity, function, or process during the planning and execution of an event to ensure minimum losses and maximum profit. Risk management system is important to the success of an event as it prepares the organisers to minimize potential for physical, social, emotional and financial loss due to any negative occurrence. It allows strategic alternative plans to avoid, prevent, reduce, diffuse or reallocate the identified risks.
- 3) Following are two risks that can arise due to negligence in event operations:
 - ***Risks due to Fire and Electricity*** - Fires carry multiple risks. They are a threat to the venue, stage, building, equipment and above all human life. If the fire breaks at the venue of event, it can also lead to stampede and is specially a major threat to senior citizens. The risks and accidents caused due to electrical short circuit, fire triggered by electrical cable, and electric shocks are also of great concern to event risk managers. It is especially so because the managers may have no knowledge of the electric cabling of the venue or the building. However, risk manager should have basic knowledge of electric standards and must get the electric cabling checked by professionals before the event to prevent any major incidence due to it.
 - ***Collapse of Communication System*** - Communication is the backbone of event planning, coordination and execution. Any interruption in the

communication process can lead to complete disruption of the event. The risk of misunderstanding or misinterpreting the messages between volunteers, security personnel, guests and stakeholders can lead to major crisis like crowd stampede, poor execution of evacuation or rescue plan in case of any problem like fire etc.

Check Your Progress II

- 1)
 - a) **Fire fighting systems:** Some venues designed for public assembly should have a fire suppression system, e.g. a sprinkler system, but generally portable or hand-held fire-fighting equipment, i.e. extinguishers, hose reels and fire blankets will be sufficient. However all venues should be provided with appropriate portable or hand-held fire-fighting equipment.
 - c) **Sanitary provision for people with special needs:** Provide appropriate sanitary accommodation for wheelchair users and other people with special needs attending the event. The Disability Discrimination Act 2005 (India) will apply with regard to sanitary accommodation for people with special needs. Also consider access to toilets for people with special needs. Supply fixed and stable ramps wherever appropriate. Position facilities close to any area set aside for people with special needs such as viewing platforms, and ensure they are suitably designed.
 - d) **Media coverage and projection:** Many event organizers tie up with media houses to ensure correct and positive projection of the events' image. The media channels are projected as 'media partners' of the event and have responsibility to carry event organizers' message to the larger audience. This covers the risk of post event negative publicity against the event.
- 2) The safety and enjoyment of people attending an event will depend largely on the effective management of crowd. Crowd management, however, is not simply achieved by attempting to control the audience, but by trying to understand their behaviour and the various factors which can affect this. It is necessary to put a complete system into practice after understanding the underlying issues. Two important aspects to be considered in crowd management are 1) Audience profile, and 2) Crowd dynamics. *Crowd dynamics* is the way in which crowds behave and respond. The dynamics of the crowd will depend, in large part, on the activities of the crowd and this in turn will be influenced by the character of both the crowd and the groups or artists performing. Simply by being part of the crowd, individuals lose all sense of self and responsibility. Yet, at the same time, they gain a sentiment of invincible power due to their numbers. Once individual identity and the capability to control behaviour disappear, crowd members possess the spontaneity, the violence, the ferocity and also the enthusiasm of primitive beings. Thus, their behaviour becomes a huge risk to the event. To deal with this risk event organizers must prepare norms regarding the following:
 - **The character or acts of the artists or groups** like diving into audience, throwing items at them and performing in audience arena can lead to crowd formation and accidents.
 - **The audience profile** contributes to crowd dynamics. The audience may have more male than female audience (male female ratio), may have more young and teenage boys (age of audience), and may have consumed alcohol or drugs. The risk of crowd formation, vandalism and violence becomes high.

- **Probable crowd activities** like body surfing, slam dancing and stage diving would require stronger crowd management. It is important for stewards to recognize and understand what ‘normal’ activities are for the audience and what can lead to crowd formation.
- **Entry and exit of the audience** should be checked and managed. Before the audience enters the venue, ensure that all exits are unlocked, escape routes are clear, emergency lighting works, fire-fighting equipment and alarms are in full working order and a PA system for use in emergencies can be heard clearly in all parts of the venue.
- **Crowd pressure at the entrances** can be reduced by keeping all other activities well clear of entry points, arranging for adequate queuing areas away from entrances, creating holding areas away from entrances to relieve the pressures on these points, and ensuring that barriers, fences, gates and turnstiles are suitable and sufficient for the number of people using them. Other measures can be locating ticket sales and pick-up points away from the entrance, providing a sufficient number of trained and competent stewards and arranging for a short-range PA system and megaphones to be made available at entrances to notify people of any delay.
- **Admission policies** can have a direct effect on the rates of admission, the management of entrance areas and audience accommodation. Crowd management preparations should be in accordance with the number of expected people.
- **Police involvement** at the event can help in sharing the crowd management responsibilities.
- **Developing crowd control teams** for crowd management are important. They must network closely with each other, with the police and event organizers.

The aids to crowd management are:

- Use of PA systems and video screens
 - Stewarding: deployment of sufficient numbers of stewards at appropriate places, organisation, conduct, competency, training and welfare of stewards
 - Traffic management: traffic marshalling, public transport management, on-site vehicle management and temporary roadways
 - Vehicle parking and management: vehicular access, parking
 - Pedestrians walkways and emergency access.
- 3) Insurance is an effective risk mitigation tool that helps the event organiser to minimize the risk of financial losses due to natural and man-made risks. There can be a number of issues that can damage an event and are beyond the event manager’s control. Disasters could be extreme weather conditions or outbreak of a contagious disease, and these impact event performances. Claims can be made from attendees who have injured themselves in an event or those who have perceived the event to be unsatisfactory (may be because of change of venue or cancellation of the main act or actor). *Insurance is an arrangement by which an insurance company or the state undertakes to provide a guarantee of compensation for specified loss,*

damage, or death in return for payment of a specified premium. Every event manager should see that the event is insured, so that liability on their part is minimum.

Event insurance can typically cover items like cancellation of the event, failure to vacate the venue, venue bankruptcy, non appearance of celebrities, damage to equipment, damage to property and legal liabilities. The event manager should obtain correct insurance to minimize the liability for organizing an event. A small example for event insurance is when Unique Events was forced to cancel the New Year's Eve 2006 due to severely bad weather conditions. Unique Events was luckily able to cover ticket refunds and other financial loss, as it had sufficient cancellation insurance. Other insurance policies are errors and omissions policies (for any claim for breach of professional duty through any act, error, or omission by the event manager, event company, or their employees), and climate insurance against occurrences such as rain and others. Insurances such as personal accident insurance for the volunteer workers, property insurance, workers compensation insurance, public liability, directors' and officers' liability are also important. The choice of any of the above insurance covers can be spelled out by the risk management strategy developed by the event management.

An event manager has to identify, assess and evaluate risk involved in every event separately at the time of doing event feasibility assessment. Therefore insurance should be in place for the entire planning process. Claims against insurance can be reduced by careful risk analysis and prevention strategies. A certain level of insurance is required by minor events and another level of insurance for major events by cities. A number of different stakeholders are potentially liable for an event. Hence the event organizers should limit their own liability by managing risk and ensuring that subcontractors are also insured. Hence all contracts signed with sub contractors such as a company that does rigging/lighting all other suppliers of products and services should show that they have a liability cover. These levels of insurance may vary from one city or municipality to another. Five salient points regarding insurance process for event management are the following:

- The Event Management Company (EMC) should be fully covered for the whole time, right from the first meeting.
 - Firstly, care has to be taken to find the right insurance broker, and arrange the correct insurance.
 - The insurance broker should be given all information regarding the event, the EMC and the stakeholder companies involved. A list of possible hazards should be included.
 - There should be a valid contract regarding the venue. It is wise to exchange copies of insurance policies with venue managers.
 - A claimant can formulate a claim anytime after the event. Hence the EMC should preserve all the records.
- 4) A Risk Management Policy is the overall guideline for how an organization will manage its risks. Risk management manual looks at the human, financial and other resources of the organization and the risks that are related to these.

UNIT 8 EVENT RISK MANAGEMENT-II : PROCESS AND CONTROL

Structure

- 8.0 Objectives
- 8.1 Introduction
- 8.2 Risk Management Process
- 8.3 Let Us Sum Up
- 8.4 Keywords
- 8.5 References and Suggested Readings
- 8.6 Check Your Progress - Possible Answers

8.0 OBJECTIVES

Risk prevention and its management should be recognized as an integral part of good event management practice. In the previous Unit, we had learnt about the various risks an event may face. We had also learnt about the risk management norms and policies that every event management organization must frame to safeguard event, event attendees, event workers and other event stakeholders. In this Unit, we will learn in detail about event risk management process that an event organizer must follow for preparing to deal with any risk it may face. After reading this Unit you will be able to:

- Learn about various methods used to identify risks;
- Classify risks based on the hazards associated with them;
- Learn about different methods used in treating risks; and
- Understand different types of Emergency Response Plans.

8.1 INTRODUCTION

Acknowledging the fact that there are various potential risks associated with every aspect of event operation that we have already discussed in the previous Unit, it is necessary for all event organizers to be familiar with risk management systems as well. As identified by Getz, the primary reason in most of the cases of event failure is the lack of strategic planning. This lack of strategic planning could be attributed to management incompetency of an event organizer to plan for risk management in advance and thereby to systematically deal with risks on their occurrence. Since risk management systems help event organisers to formulate alternative course of action and to conduct events in the safest possible manner whilst mitigating losses, it is essential that professional event organizers formally plan for and develop strategies to deal with the possible consequence of risks on their occurrence. Effective risk management system in any event organization is an outcome of greater insights into risks and their impact leading to well defined strategies supported by well-informed decision-making.

8.2 RISK MANAGEMENT PROCESS

The main objective of risk management is to minimize the physical, social, emotional or financial loss arising due to unwelcomed circumstances. Effective risk management is a systematic approach that requires proactive examination of each and every aspect for the possibility of negative occurrence rather than reacting to situations when they actually occur.

Risk management is an ongoing process. It begins with planning and completes only after the event is over and everything is wound up. Let us recapitulate the definitions of risk management that we discussed in the previous Unit. Getz defined event risk management as *the process of anticipating, preventing or minimizing potential costs, losses or problem for the event, organization, partner and guests*. Leopkey and Parent defined event risk management as *a process that involves assessing all possible risks to the event and its stakeholders and then strategically avoiding, preventing, reducing, diffusing, reallocating, legalizing or using relationship management to mitigate the identified risks*. Some risks are less prominent during the planning but become prominent only during the implementation stage. It is thus very important to continuously recognize, be aware of and understand all possible risks at all stages of the event. Comprehensively putting it, from the previous Unit, event risk management is *a logical and systematic method of identifying, analyzing, evaluating, treating, monitoring, and communicating risks associated with any activity, function, or process during the planning and execution of an event to ensure minimum losses and maximum profit*.

The professional Event Risk Management involves risk assessment, planning for prevention or treating risks, and monitor and review as shown in Fig. 8.1. For every event, an event manager needs to professionally manage risk by ensuring that each of these steps is carefully completed. For this reason at the beginning of event planning, a risk management team is formed or if an event is small, a risk manager is identified whose job is to assess, manage and control all risks from the beginning till the very end of an event.

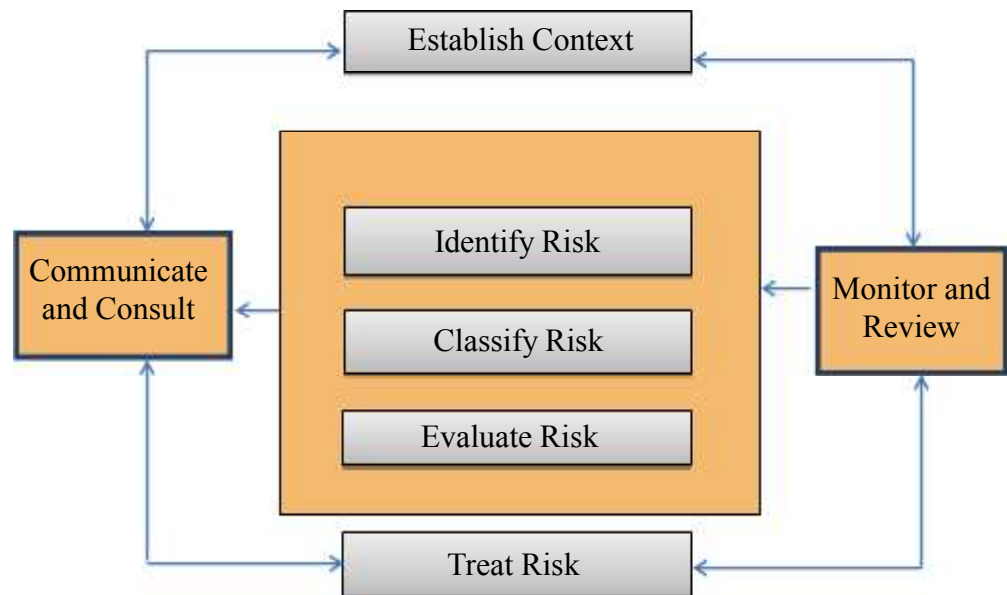


Fig. 8.1: Risk Management Process

Source: Adapted from Matthew (2016)

Risk Assessment

Risk assessment is the first step in risk management process. It involves identification of all possible risks that an event may face. In the previous Unit we have learnt about many risks, however, every event does not face same risks. Depending on the size, type, location of the event and number of people involved in it (stakeholders), potential risks are identified. For example, if we are planning a family event for 20 people, the risk related to crowd formation and management is absent but food quality and safety is very important. After identifying the possible risks associated with that event, we evaluate and classify each of them based on their probability and possible consequences. Following are the steps involved in risk assessment process:

Identify All Possible Risks

As every event is unique in itself, at the beginning of its planning process, a risk assessment meeting is convened to identify all possible risks. In this meeting risk management team is formed or risk manager is identified. If it is an international event where VIPs or large number of people are expected, then professional risk and security personnel are hired. However, the risk management process should be followed for every event irrespective of event's type, size and stakeholders. A basic risk identification process involves data and information collection. All events can generate risk related information from the following sources:

- Past experience
- Direct observation
- Meeting with event stakeholders
- Discussing risk with the staff and volunteers
- Consultation with the local authorities, including police and fire departments
- Asking for emergency service suppliers
- Brainstorming risks for the whole event by the event risk management team or manager

The information or data collected from these sources is used to prepare a checklist of possible risks in the forthcoming event. However, the most important tool is the experiences of the event team. Experienced people in the industry can identify potential risks at the concept stage and can save lot of unnecessary costs and associated problems. It is primarily on the basis of their previous event experiences that a list of potential risks is prepared. Professional risk managers often use their first-hand experiences, which form the bases for intuitive knowledge. Past experiences would help in listing the things which may go wrong or possible incidences which may occur. The data of past experiences is of great value as a source of information in risk assessment. For example, the number of people who fell or suffered injuries due to uneven floor of the venue (open ground used as venue), can be used to assess the potential risk in using similar venue in future. Local authorities, service suppliers can also provide very useful information regarding the locale, site and geographical area. This information can be very useful to identify natural risks (as discussed in the previous Unit) and risks regarding using a particular site as venue for holding an event.

The above information can also be substantiated by direct observation. For example, if the floor of the venue is uneven, it may lead to tripping or falling of persons including old people. Similarly if the wiring at the proposed venue is showing signs of wear and tear, it may lead to short circuit or fire. On the basis of direct observation the risk manager can also conduct a hazard and vulnerability study (site survey) of personnel, facilities, items and functions. This may provide a detailed risk list related to the venue of the event.

Risk manager should use most relevant methods to generate information and data regarding all risks discussed in the previous Unit and record this information carefully. The prepared checklist should be reviewed again and again. If necessary, new risks can be added from time to time or even deleted as we advance from conceptualization stage to execution of an event.

Risk Identification and Assessment Tools

Experienced professionals usually identify risk with the help of the above mentioned methods. However, in mega international events, in addition to these, some of the specialized tools and techniques are used by risk management experts. For example, for mega events like Olympic Games or other events involving large number of people like rallies, more detailed, advanced and rigorous risk assessment is needed. For this we may use some specific tools and techniques. We can use any of this in isolation or in combination with others, depending on the size, type of event, and resources available. They are:

- 1) Test Events, Event Modeling and Event Incubating - Risk identification for large and significant events uses methods like test events, event modeling and event incubating. The Olympic Organizing Committee carries out a detailed schedule of smaller events that test aspects of their overall plan. These are called test events. Risk management experts are employed for this purpose. Some of these experts use computer modeling for risk assessment. They use spreadsheets and project management softwares for this. Events are also ‘incubated’ in a scientifically controlled environment.
- 2) Feasibility study - We have learnt about feasibility assessment process in detail in the previous Block. We can use the same process to assess the possible risks to a proposed event. The feasibility analysis for risk assessment should assess the following factors:
 - The sufficiency of lead time (years, months, weeks) to organize the event.
 - The date of the event and whether it clashes with any other events that may significantly affect the success of the event.
 - The budget and whether the event can be run without incurring a loss.
 - The degree of support that can be gained from the community, government, and parent bodies.
 - The sufficiency of resources such as equipment, manpower, finances and facilities.
 - The environmental impact and whether the event may cause a disturbance to surrounding community, cause traffic congestion and waste, noise, and lighting spillage.

- The legal considerations such as permits, landholders permission, alcohol licensing, and fundraising regulations.
- 3) Work Breakdown Structure (WBS) - In this method the event is broken down into separate manageable units. Each Unit has its own resource requirement, such as equipment and skills. A WBS chart can be used to identify the risk associated with each Unit. For example certain unique risks are associated with the 'promotion' of the event. The most common risk is misrepresentation of the event. The promotion material can easily exaggerate the positive aspects of an event to present the best image to the press. The result of this could be attendee dissatisfaction as the event may not live up to their expectation.
 - 4) Fault Tree - Another tool for risk assessment is the 'Fault Tree' which uses 'effect to cause' method to identify the cause of the unwanted or bad outcome. For example if an event is losing money or running over budget, then the cause can be identified by working through various areas of the event listed in the fault tree. Thus, the tree is created so as to list all possible causes for each fault which may occur. For example, the fault tree may list that for the fault 'entrance difficult to find' the possible cause could be lack of signage or unreadable signage or it could be that the entranceway is obscured or poorly written or drawn communication. These causes can be further branched. Such a process helps the event manager and staff identify 'trigger' (which are actions or lack of actions) that indicate future problem.
 - 5) Risk Analysis Sheet - At various meetings with the stakeholders, it is important to document the risks with the help of risk analysis sheet. The risk can be mapped on a graph according to its probability of occurrence and its severity. We use this method for both risk identification as well as evaluation and would study more about it later in this Unit.
 - 6) Influence Diagram / Systems Analysis - Risk may have its effects throughout the event. To assist in identifying these effects, the event managers can use an influence diagram, which comes from the science of systems analysis. The influence diagram is a sketch which makes you understand the ripple effect of any risk. One of the paths on the diagram can be seen like this. Once a leading film star agrees to attend, the marketing for the event will change. It will influence the attendee numbers and will influence invitation response. An increase in audience numbers will mean a change in facilities – room size and setup, audiovisual equipment, food, or even the venue itself. These changes will have an effect on the security plan. The increase in these elements will increase the cost of the event, which could cause the project to go over budget. Also, the changes in the facilities will mean a new schedule for the setup and breakdown of the venue. In turn, these changes and the new talent will affect the production schedule and, therefore, the overall programme of the event.
 - 7) Theory of Constraints - This theory suggests that first all constraints should be identified and then the management process should be concentrated on eliminating or controlling these constraints. These constraints could be stakeholder objectives, venue, deadlines, and budgets. If one possible venue of the event has high risk – natural or manmade, like demonstration or campaign against that particular event, then by eliminating it the event

manager would also be reducing it. Let us consider a children’s birthday party that will be held on a cruise-liner. In such a case, there is high risk of safety, security and all man-made risks to the event, such as keeping an eye on children’s movements, safety during games and activities, and parental guidance. The theory of constraints suggests that risks related to such activities should be identified as constraints in the beginning and efforts should be made at the event proposal stage itself to minimize such constraints and thus reduce or control risks.

Classification of Identified Risks

The checklist of identified risks should be classified in different groups. We can classify these risks on the basis of the possibility of damage they may do or hazards associated with them. The most popular method of risk classification is given in the Table 1 below.

Table 1: Risk Classification Table

Risk Class or Type of Hazard	Probable Damage or Consequences
Class A Hazard	Risk of death or grievous injury or illness is likely or very likely, or serious injury or illness is likely
Class B Hazard	Risk of death or grievous injury or illness is not likely but is possible, or serious injury or illness is very likely
Class C Hazard	Risk of serious injury or illness is not likely, but is possible; or when moderate injury or illness is likely or is not likely, but is possible

Risk managers can develop their own criteria and can do similar classifications on the basis of the probability of financial loss or damage to reputation / success of event or event organizers. Another way to classify risk is according to its impact as shown in Table 2. This table shows the classification of risks for a sports event pertaining to their impact.

Table 2: Risk Classification Table (for Sports Event)

Risk Category	Major Impacts
Extreme	Death, brain / spinal injuries, serious organ damage, permanent disability, emergency medical assistance, hospital for 6+ weeks.
Major	Fractures, crush injuries, serious facial injuries, recovery of 6+ weeks, emergency medical assistance, hospital care.
Moderate	Dislocation/simple fractures of ribs / limbs, medical assistance on-site/at the hospital/at a general practitioner, participant does not continue event, recovery of 1-6 weeks.
Minor	Contusions, sprains, lacerations, minor first aid, participant continues event, less than a week’s recovery.
Insignificant	Bruises, grazes, participant continues event, no recovery time or medical assistance required.

- 7) **Contingency methods:** They are effective in dealing with situations in which risk cannot be completely avoided, for example developing exit doors, evacuation routes, and provision of fire extinguishing systems can be used effectively in case of stampede or fire.
- 8) **Risk transfer:** Sub contractors can be hired to share the liability for different event components like equipments or structures.

Preparing for Risk Prevention and Management Plans

Risk management plans are prepared separately for each event, considering all potential risks for that event. As every event is unique, every event requires a tailor made risk management plan to treat its own potential risks. This risk management plan can be further divided into preventive plan, contingency plan and crisis plan. Let us now look at all of them in detail.

Preventive Plan/s to Minimize the Risk

The event risk management professional must understand that it is always less expensive to manage risk prior to the event than to deal with the crisis after it has occurred. Throughout the world, both in developed and emerging nations, event risk professionals constantly seek ways to confront and mitigate crisis prior to its occurrence. Thus, the preventive plan is prepared to avoid risk and to handle crisis, if it happens. Let us see how we can use these preventive plans with the help of an example, such as making an event design (venue and programme) to prevent potential risks and meeting contingencies:

- **Selecting event location** - The location of the event is considered in relation to services and infrastructure that may be needed in any emergency such as electricity, telephones, water, shelter, proximity to hospitals and availability of emergency services. It is better to have all of them available nearby.
- **Provision of Access, Egress and Sterile Routes** - Ensure easy egress access routes for emergency vehicles to move around the event. Ideally separate this from access routes for the public.
- **Designation of an Emergency Control Point** - Designate a point where members of the event management team and the emergency services can meet in case of an incident. Ideally this point should be under cover and have electricity and telephone access.
- **Designation of a single point of contact to liaise with any Emergency Services** - Emergency services coordinating officer could be deployed on the event venue and one person from the event team could be the emergency services liaison.
- **Security officer and medical staff on site of event** - In a mega event or an event of great significance security officers and medical staff should be available on site during the event. Everyone should clearly know their role and actions if the crisis happens. Risk manager can even consider a test exercise prior to opening the event to public.
- **Consider an evacuation plan** - Consider where public and staff should assemble and evacuate to (e.g. a remote car park) in case of crisis. Consider evacuation routes, signage and public address systems. Pre-prepared messages (Emergency Exit / Break the Window Glass In Case of Emergency)

that are clear and self explanatory can be displayed at the venue. Such a signage is very reassuring to the public.

- **Security** - If VIPs are coming to attend the event, they will require special security planning and arrangements. If the event has a risk of getting subjected to any negative action from an individual or group then consider getting specialist advice from police or hire a specialist event security consultant.
- **Placement of the resources (equipment and people)** - The placement of safety and security equipment and personnel at the event site should be considered in the venue design plan itself. In addition how these can be utilized and managed in case of an incident should also be mapped out.
- **Media Plan** - If an incident occurs, a plan to deal with local, national or international media with pre-prepared factual information like type of event, number of years running, number of people attending etc., about the event should be ready to be released immediately.

Contingency Plan / Emergency Response Plans (ERP)

A contingency plan is prepared in advance but held in reserve and put into action only if a potential risk becomes a reality. Such a plan offers viable alternatives to the main or current event plan and is used to handle the problem arising. A contingency plan assists in the actual implementation of the baseline programme, with the changes, to suit the current (changed) requirement of the event execution. This minimizes last minute panic and ensures chances of its success.

The contingency plan should contain a list of alternates, a chain of commands and procedures to contain the problem or change which has occurred in the environment or on site of the event. An example of the contingency planning could be during an international meeting, where some of the participating companies having offices nearby can be integrated in the contingency plan of action in case the meeting suffered from security problems. Under such circumstances the provision of extra security, communication lines and evacuation procedures are made as contingency arrangements.

A contingency plan has many sub-plans, each to deal with different type of problems which may arise. These contingency arrangements are also called Emergency Response Plans (ERP). Every event should have ERPs. It is usually developed in consultation with professionals who are trained staff in emergency procedures like evacuation.

The most popular tools developed as ERPs are as follows:

- **Emergency Medical Response (EMR)** - EMR Teams are central to all mega events and are the first to respond to medical emergency. EMRs must be prepared to handle any medical emergency during the event. EMR team comprises of risk management personnel, paramedic staff, life saving and first aid equipment and medicines. Also the facilities for transportation of ill or injured to the nearby medical hospital should be made available. However, when the participants are more prone to medical emergencies (for example aged people), the number of EMR teams and ambulance should be increased. These EMR teams should develop a good communication system within different teams and with event staff. Medical stations can be built on the site of the event.

- **Incident Command System (ICS)** - The ICS provides a management structure and system for conducting on-site operations. It is applicable to small scale daily operational activities as well as major mobilizations. ICS provides command center and operational staff with a standardized operational structure.
- **Incident Response System (IRS)** is similar to ICS and is defined by NDMA of Government of India as *the combination of facilities, equipment, personnel, procedure and communications operating within a common organizational structure, with the responsibility for the management of assigned resources to effectively accomplish stated objectives pertaining to an incident.*
- **Emergency Management Mail List** - This list is intended to foster open communications among emergency managers and the related professionals. The list is open to all interested parties but is intended for emergency management professionals, risk managers, disaster specialists, fire/rescue and law enforcement personnel, emergency management consultants, safety experts, preparedness professionals, and related software vendors and other professions.
- **Evacuation Plan** - Emergency evacuation is the immediate and rapid movement of people away from the site of event where some negative occurrence has happened which could pose threat to the life or safety of people attending the event. Emergency evacuation plans are developed to ensure the safest and most efficient evacuation for all present at the site of mishap. Proper evacuation planning will include multiple exits, special traffic (human and vehicular) flow lanes and special technologies like visual and audio alarm system, to ensure full, fast and complete evacuation. Proper display of site plan for evacuation can reduce panic and ensure smooth evacuation if the need arises.
- **Traffic Management** - Contra-flow lane plan is the dedicated traffic diversion plan for evacuation. In case an area needs to be evacuated, the normal traffic can be stopped and lanes on road are dedicated for ensuring constant flow to vehicular and human traffic. Such planning is undertaken when the number of people struck at the incident site is large. Traffic management is also needed in case of minor incidences to avoid stampede when the gathering becomes too large.
- **Stampede Avoidance / Crowd Management** - Stampede can be understood as an act of mass impulse among a crowd of people due to mass panic like in case of fire or explosion, where they collectively run with no clear direction to get away from the disaster site. Human stampedes most often occur during religious pilgrimages and professional sporting and music events, as these events tend to involve a large number of people. The Kumbh Mela in India and the Hajj in Saudi Arabia are examples of two events most prone to stampede. The sensitivity and importance of crowd management can be further understood by an incident in which 104 pilgrims died in a stampede on 14th January 2011, at a popular hill shrine of Sabarimala in the State of Kerala. As a result for better and more coordinating crowd management,

NDMA (India) has formulated National Guidelines for Disaster Management at Religious Places.

Human stampedes can be prevented by traffic control, such as barriers who may funnel the crowd away from an already-packed area. The crowd management personnel should continuously survey the crowd from raised platforms or on horseback, and use loudspeakers to communicate and direct a crowd. After the stampede of Victoria Hall Disaster in England in 1883 a law (still in force) was passed in England which required all public entertainment venues to be equipped with doors that open outwards and crash bars made mandatory in the building codes of all entertainment venues.

Crisis Plan

Crisis can be defined as a situation which, if left unattended, can quickly lead to a major disruption of the event or can cause its cancellation. In crisis, the quality of information and time are crucial. Thus, an event manager needs rapid access to information during crisis. It is the ultimate test of our communication planning, quality of information gathered, networking and research we have done prior to event and every detail in the event manual. In crisis, the site plan and map, contact list, good signage, instructions for the guests of foreign dignitaries etc. become crucial. Hence, crisis planning is even more crucial than the baseline plan. Every event manager must prepare the event manual carefully, keeping every possible crisis in mind.

The line of authority often changes in crisis and this also needs to be spelt out in the crisis plan. The event manager needs to ensure who would take charge of which activity in case of crisis. For example in case of stampede who would manage crisis? In addition, the person given such responsibility needs to be roped in the development of crisis plan. During crisis, the stakeholders and the top most authority become involved in the crisis management process and the event manager is expected to assist or advice them. Thus, s/he should also plan how to deal with stakeholders and outside emergency services if crisis happens.

The press or media responds to crisis immediately. As part of crisis planning, the public relation officer (PRO) or their representatives should be delegated the job of media management in case of crisis. This person who would be responsible for handling media will issue press release or talk to them. This press report by PRO will also reflect on the stakeholders, the corporation, and the event organizers for the years to come. The press reporters are very aggressive and seek out any tragic story or information especially from those present at the time of crisis like guests or staff or even onlookers. The event manager should decline to make any direct statement to the press, should focus completely on dealing with the crisis and leave it on PRO as well as senior staff to deal with the press. The event manager should rather help the PRO and senior staff with factual information and relevant documents related to the event, and work as centre of information.

Risk Control

Risk control is a continuous effort starting from the event planning and ending after the event gets over. We have already studied how we can prepare different plans for preventing and controlling risk. During the risk management process following controls must be used:

- **Monitor the Context** - Changes in our event's purpose or organisation, or in the broader environment, could have an impact on our risks in a number of ways. Environmental change could give rise to new risks, or alter our investment in risk management. Changes in staff could mean that key risks are unmanaged unless we reassign responsibilities. Changes in the legal environment could raise compliance issues.
- **Monitor Strategies** - If the context changes, we must adapt our risk management strategies to suit the changes. For example, we need to update documentation and any other aspects of our risk management plan if necessary after reviewing the incidents and their consequences. For instance, if we estimated two moderate injury accidents and there were actually four, we may conclude that our risk assessment should be more precise in future and we need to review incidents to identify any unexpected causes, and possible ways to prevent / respond to the incidents in the future. We must gather information from management, participants and volunteers. We may need external help to evaluate some factors. The local authority should be involved in the on-going monitoring / inspection process as the responsibility for managing risk is shared across a number of parties.
- **Monitor Risk Communication** - During a crisis all communication planning is put to test. Rapid access to relevant information is crucial. The site plan, map, good signage and contact list become very important elements. If the crisis is newsworthy, the media may become involved and any negative publicity about the event can be very- very damaging not only to that event but it may also reflect upon the Event Management Company and stakeholders. Thus, a PRO must be present to provide the information and documents related to the events. The source of all information should be centralized and quickly accessible.

Check Your Progress II

Note: Use the space provided for your answer

- 1) List the important tools developed as ERPs used by event risk managers to manage when potential risks become reality.

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2) What are the basic methods that should be adopted by an event manager for treating risks?
3) What are contingency plans? Explain any two contingency plans which an event should have as an ERP.
4) What kind of controls can be exercised under the risk management process of an event?

Post Event Action and Analysis

This is the final step in the risk management process. It is the stage to review and reassess our achievements, our failure, what went wrong and things to do better in future, as event managers. For this purpose we must do post event analysis and prepare reports, risk registers and suggestions for future (feed-forward).

Post Event Analysis

After the event, we must hold a full debrief on all areas of the event including the health and safety plan. To ensure quality information it should be shared between all key stakeholders to identify the following:

- What worked well and what did not work well,
- What failures took place, e.g. failures in communication systems, leadership or teamwork,
- What incidents took place and the grading of such incidents,
- Adequacy of plans to support the management of all activities,
- Adequacy of training provided to employees and to others,
- Adequacy of templates used for policy, procedure, guidance, training, etc.,
- Survey participants,
- Survey spectators / supporters,
- Verbal feedback,

- Review media coverage,
- Produce a written report with recommendations for future event planning.

Risk Management Reports

After the crisis is over and the event is winding up, a risk management report should be prepared. This would contain gathering all the relevant information like photos, video footage, and the names, address and contact numbers of witnesses. Fig. 8.2 shows a sample of an Incident Report Card. This report would also help an event manager in assessing the success of her / his risk management plan. At the same time this document would also help all other event planners to learn from the crisis and would be used to develop guidelines and procedures to prevent or to deal with future crisis. Separate reports should also be prepared and submitted to the stakeholders like sponsors, to showcase the efforts made by event organizers to protect the event. However, for the records of risk management professionals and event organizers details related to each risk should be recorded in the risk register.

INCIDENT REPORT CARD		
Date	Time.....	
Your name	Your position	Department
.....		
Name of the person/s involved in the incident		
.....		
Name and contact details of witnesses, if any		
.....		
Incident details		
.....		
.....		
.....		
Time of incident		
Location of incident		
Cause of incident		
Consequences of incident		
Can any action be taken to prevent reoccurrence?		
.....		
Date and time received and logged		
Outstanding actions		

Fig. 8.2: Sample Incident Report Card

The Risk Register

Once each risk occurrence and our preparedness for each one of them has been fully examined, a register of risks should be developed. The risk register works as an evolving document which can be updated and refreshed after each event. It should clearly document the risks (particularly the key ones), their management and the allocation of risk management responsibility for each risk. Some of the headings typically included in the risk register are:

- Risk name
- Risk category
- Risk rating given for likelihood and impact
- Current controls
- Required action
- Risk owner
- Review dates

Such a risk register is very useful for event organizers in future risk planning. It is also helpful to event organizers to justify their event cost to stakeholders like sponsors and event participants for future events. This register also helps in making more professional and precise probability of all risks during events. Thus, it is an important tool for future risk planning.

This chapter has highlighted risk management plan that anticipates and prioritizes all the risk factors along with the risk management process. This brings us to the end of Block-2, of the Course–Event Planning.

Intext Activity 1

Visit an event venue (preferably an outdoor event such as a wedding ceremony, a football tournament , a rural fair, a car launch or any other outdoor event), and evaluate the emergency plan with regard to the following: (i) the venue’s physical features and likely emergency risks; (ii) the venue map, emergency equipment, and access to emergency services; (iii) number of entrances, exits and their locations; (iv) roles of the staff involved; (v) communication networks for reporting; (vi) communication technologies used for risk management; (vii) record keeping; and (viii) other legal compliances.

Check Your Progress III

Note: Use the space provided for your answer

- 1) Describe the objectives of post event analysis.

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2) How is risk register important to the event risk manager as a tool for future planning?

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8.3 LET US SUM UP

Event risk management process starts from the inception of the event and completed only after the event is over and evaluated for its success. It involves risk assessment, risk planning, management and control. The larger the event more is the need for risk prevention, management and control. However, even smaller local events need risk assessment and management as risk preparedness ensures the event success.

8.4 KEYWORDS

Brainstorming : Process of generating creative ideas and solutions through intensive and freewheeling group discussion. Every participant is encouraged to think aloud and suggest as many ideas as possible, no matter seemingly how outlandish or bizarre.

8.5 REFERENCES AND SUGGESTED READINGS

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Links

[event_safety_guide.pdf](#)

www.sparc.org.nz

<http://www.businessdictionary.com/definition/brainstorming.html>

8.6 CHECK YOUR PROGRESS - POSSIBLE ANSWERS

Check Your Progress I

- 1) The main objective of risk management is to minimize the physical, social, emotional or financial loss arising due to unwelcomed circumstances. Effective risk management is a systematic approach that requires proactive examination of each and every aspect for possibility of negative occurrence rather than reacting to situations when they actually occur. Risk management is an ongoing process. Getz defined event risk management as *the process of anticipating, preventing or minimizing potential costs, losses or problem for the event, organization, partner and guests*. Leopkey and Parent described event risk management as *a process that involves assessing all possible risks to the event and its stakeholders and then strategically avoiding, preventing, reducing, diffusing, reallocating, legalizing or using relationship management to mitigate the identified risks*. Risk management process involves: risk assessment, planning, management and control of potential risks.
- 2) Risk assessment is the first step in the risk management process. It involves identification of all possible risks that an event may face. Depending on the size, type, event location and number of stakeholders involved in it, potential risks are identified. After identifying the possible risks associated with that event, we evaluate and classify each of them based on their probability and possible consequences. Risk assessment process involves following steps:
 - Identifying all possible risks.
 - Classifying of identified risks on the basis of the possibility of damage they may do or hazards associated with them.
 - Evaluating risk in terms of its probability and consequences. Thereafter the risk checklist should be converted into risk evaluation sheet keeping in view its probability and consequence.
- 3) Some common methods of generating information for risk assessment are:
 - Past experience
 - Direct observation

- Meeting with event stakeholders
 - Discussing risk with the staff and volunteers
 - Consultation with the local authorities, including police and fire departments
 - Asking for emergency service suppliers
 - Brainstorming risks for the whole event by the event risk management team or manager
- 4) The indicators of risk impact in sports events can be interpreted as given in the table below:

Risk Category	Major Impacts
Extreme	Death, brain/spinal injuries, serious organ damage, permanent disability, emergency medical assistance, hospital for 6+ weeks.
Major	Fractures, crush injuries, serious facial injuries, recovery of 6+ weeks, emergency medical assistance, hospital care.
Moderate	Dislocation/simple fractures of ribs/limbs, medical assistance on-site/at the hospital/at a general practitioner, participant does not continue event, recovery of 1-6 weeks.
Minor	Contusions, sprains, lacerations, minor first aid, participant continues event, less than a week's recovery.
Insignificant	Bruises, grazes, participant continues event, no recovery time or medical assistance required.

Check Your Progress II

- 1) Important ERP tools used by event risk managers to manage when potential risks become reality are:
- Emergency Medical Response (EMR)
 - Incident Command System (ICS)
 - Incidence Response System (IRS)
 - Emergency Management Mail List
 - Evacuation Plan
 - Traffic Management
 - Stampede Avoidance / Crowd Management
- 2) Basic methods that should be adopted by the event manager for treating risks are:
- **Elimination:** Steps can be taken in the plan to eliminate the risk altogether, for example, erecting covered walkways to protect spectators from rain can eliminate the risk of ruining an event due to rain (natural risk).
 - **Substitution:** To avoid the risk of collapse of structure due to overcrowding, temporary structure can be substituted by choosing a better-designed grandstand made of concrete.

- **Distribution of risk:** Sometimes risk can be distributed across different areas to reduce its impact. For example ticketing can be spread over different areas to reduce the impact of any theft.
 - **Isolation:** Risky activities or use of noisy equipment can be done in isolation to avoid risks like fire, accidents or noise related risks.
 - **Engineering controls:** They can be effectively used to reduce various risks; for example, using safety barriers and fences can limit access and can be used effectively for controlling and managing crowd.
 - **Administrative controls:** Various administrative controls like erecting warning signs and training staff well in safety procedures can help in reducing the risk.
 - **Contingency methods:** Are effective in dealing with situations in which risk cannot be completely avoided, for eg. Developing exit doors, evacuation routes, and provision of fire extinguishing systems can be used effectively in case of stampede or fire.
 - **Risk transfer:** Sub contractors can be hired to share the liability for different event components like equipments or structures.
- 3) A contingency plan is prepared in advance but held in reserve and put into action only if a potential risk becomes a reality. Such a plan offers viable alternatives to the main or current event plan and is used to handle the problem arising. The contingency plan should contain a list of alternates, a chain of commands and procedures to contain the problem or the change which has occurred in the environment or on site of the event. A contingency plan has many sub-plans, each to deal with different type of problems which may arise. These contingency arrangements are also called Emergency Response Plans (ERP). Two contingency plans developed as ERPs are:
- **Emergency Medical Response (EMR)** - EMR Teams are central to all mega events and are first to respond to medical emergency. EMRs must be prepared to handle any medical emergency during the event. EMR team comprises of risk management personnel, paramedic staff, life saving and first aid equipment and medicines. Also the facilities for transportation of ill or injured to the nearby medical hospital should be made available. However, when the participants are more prone to medical emergencies (for example aged people), the number of EMR teams and ambulance should be increased. These EMR teams should develop a good communication system for communication within different teams and with event staff. Medical stations can be built on the site of the event.
 - **Evacuation Plan** - Emergency evacuation is the immediate and rapid movement of people away from the site of event where some negative occurrence has happened which could pose threat to the life or safety of people attending the event. Emergency evacuation plans are developed to ensure the safest and most efficient evacuation for all present at the site of mishap. Proper evacuation planning will include multiple exits, special traffic (human and vehicular) flow lanes and special technologies like visual and audio alarm system, to ensure full, fast and complete

evacuation. Proper display of site plan for evacuation can reduce panic and ensure smooth evacuation if the need arises.

4) Controls are important to keep track of things and respond to any issues or changes. During the risk management process following controls must be used:

- **Monitor the Context** - Changes in our event's purpose or organisation, or in the broader environment, could have an impact on our risks in number of ways. Environmental change could give rise to new risks, or alter our investment in risk management. Changes in staff could mean that key risks are unmanaged unless we reassign responsibilities. Changes in the legal environment could raise compliance issues.
- **Monitor Strategies** - If the context changes, we must adapt our risk management strategies to suit the changes. For example, we need to update documentation and any other aspects of our risk management plan if necessary after reviewing the incidents and their consequences. For instance, if we estimated two moderate injury accidents and there were actually four, we may conclude that our risk assessment should be more precise in future and we need to review incidents to identify any unexpected causes, and possible ways to prevent / respond to the incidents in the future, gather information from management, participants and volunteers. We may need external help to evaluate some factors. The local authority should be involved in the on-going monitoring / inspection process as the responsibility for managing risk is shared across a number of parties.
- **Monitor Risk Communication** - During a crisis all communication planning is put to test. Rapid access to relevant information is crucial. The site plan, map, good signage and contact list become very important elements. If the crisis is newsworthy, the media may become involved and any negative publicity about the event can be very- very damaging not only to that event but to the event company and event stakeholders. Thus, a public relations officer must be present to provide the information and documents related to the events. The source of all information should be centralized and quickly accessible.

Check Your Progress III

- 1) The objective of post event analysis is to identify the following information and to share the same between all the key stakeholders:
- What worked well and what did not work well,
 - What failures took place, e.g. failures in communication systems, leadership or teamwork,
 - What incidents took place and the grading of such incidents,
 - Adequacy of plans to support the management of all activities,
 - Adequacy of training provided to employees and to others,
 - Adequacy of templates used for policy, procedure, guidance, training, etc.,

**Event Planning Pre-requisites
(Regulatory and Compliance
Issues)**

- Survey participants,
 - Survey spectators/supporters,
 - Verbal feedback,
 - Review media coverage,
 - Produce a written report with recommendations for future event planning.
- 2) The risk register works as an evolving document which can be updated and refreshed after each event. It should clearly document the risks (particularly the key ones), their management and the allocation of risk management responsibility for each risk. Some of the headings typically included in the risk register are:
- Risk name
 - Risk category
 - Risk rating given for likelihood and impact
 - Current controls
 - Required action
 - Risk owner
 - Review dates

Such a risk register is very useful for event organizers in future risk planning. It is also helpful to event organizers to justify their event cost to stakeholders like sponsors and event participants for future events. This register also helps in making more professional and precise probability of all risks during events. Thus, it is an important tool for future risk planning.