

## **Project Risk Management in Events Planning and Management in Nigeria<sup>1</sup>**

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### **ABSTRACT**

Events Planning/Management in Nigeria is a relatively new venture in the business scope in Nigeria. It has evolved over the years from sundry events services such as catering, decoration, rentals, bridals, photography, etc into a One-Stop or total/holistic Events Packaging/Planning. Events vendors now have to handle events as projects from start to finish. This need came as a result of desires to reduce stress associated with events planning on the parts of the celebrants. However, such holistic events planning have attendant risks associated with them. Managing such risks demands some form of professionalism on the part of the Events Manager. This work is therefore, to serve as a guide to Events Manager on the possible risks inherent in events management and also how to manage such risks.

### **INTRODUCTION**

Project Risk Management involves managerial steps taken to avoid/reduce losses during the development and execution of projects. Every project comes with attendant risk which can be eliminated, reduced or transferred. Events Planning/Management, as it has evolved in modern times, is not an exception. Events managers record losses in the course of carrying out their projects. Therefore, this research work is focused on the steps taken by Events Managers to manage the risks involved in events planning/management.

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## CONCEPTUALIZATION

To avoid ambiguity there is a need to define the basic terms used in this research to suit the context under discussion.

### **Project:**

Project can be defined as an individual or collaborative enterprise that is carefully planned to achieve a particular aim.

### **Risk:**

Risk can be defined as unforeseen or uncertain occurrence which may hamper the successful execution of events thereby creating losses in form of financial loss or reputational dent on the on the organization.

### **Management:**

Management can be defined in relation to management functions, *which* include: Planning, organizing, staffing, leading or directing, and controlling an organization (a group of one or more people or entities) or effort for the purpose of accomplishing organizational goal.

### **Events:**

The word “event” is derived from the Latin word “eventus” and was originally used to describe big happenings out of the ordinary (“Event,” 2009). Today, the concept of events includes a large variety of social gatherings, meetings, sports, shows, and performances. It has become a fashion to use the word ‘event’ for everything that is happening.

An event can be described as a public assembly for the purpose of celebration, education, marketing or reunion.

### **Vendors:**

These are people or organizations that provide component services to the events manager.

### **Project Risk Management:**

Project Risk Management is the application of management functions to avert, reduce, or transfer the effects of attendant adverse occurrences that come with projects.

### **Event Management:**

**Event management** is described by Wikipedia as the application of **project management** to the **creation** and **development** of large-scale events such as **festivals, conferences, ceremonies,**

**formal parties, concerts, or conventions.** It involves studying the **brand**, identifying the **target audience**, devising the **event concept** and coordinating the **technical aspects** before actually launching the event.

### **Events Manager:**

The **events manager** is the person who plans and executes the event, taking responsibility for the creative, technical, and logistical elements. This includes overall event design, brand building, marketing and communication strategy, audio-visual production, script writing, logistics, budgeting, negotiation, and client service.

### **PROJECT RISK MANAGEMENT IN EVENT PLANNING/MANAGEMENT:**

Project Risk Management in Event Planning/Management can be defined as the application of project management skills to avert, reduce, or transfer the effects of attendant adverse occurrences that come with the **creation and development** of large scale events such as **festivals, conferences, ceremonies, formal parties, concerts, or conventions** which involve studying the **brand**, identifying the **target audience**, devising the **event concept** and coordinating the **technical aspects** before actually launching the event.

The process of planning and coordinating the event is usually referred to as **event planning** and which can include budgeting, scheduling, site selection, acquiring necessary permits, coordinating transportation and parking, arranging for speakers or entertainers, arranging decor, event security, catering, coordinating with third party vendors, and emergency plans.

The events industry now includes events of all sizes from the Olympics down to business breakfast meetings. Many industries, charitable organizations, and interest groups hold events in order to market themselves, build business relationships, raise money, or celebrate achievement.

Every good events manager who wants to manage risks properly will have to take some steps in that regard.

First, he has to identify the type of event in focus. An event could either be social or corporate. Social events include: weddings, parties, award nights, burials etc. corporate events include seminars, company's annual general meetings, etc.

Secondly, in-view of the particular type of event, whether social or corporate, the events planner should identify all the activities involved in the hosting of the event.

Then he should identify all the elements of risks associated with each activity. Here are some of the risks that event planners could face.

Risks associated with events planning can be grouped under the following broad areas:

- personnel
- property
- income
- climate/weather
- government policies and calendar
- logistic
- Security
- liability

**1. Personnel:** One of the major factors that contribute to a successful event management is the quality of manpower at the disposal of the events manager. The experience, passion and dedication of the personnel reflect on the overall outcome of the event. However, it is important to note that sometimes, certain issues could crop-up that could limit the optimal performance of personnel involved in the management of an event.

- i. Over-stressed workers: The tedious nature of putting things together for an event may be too tasking on the physical and emotion strength of the workforce involved. Hence one could find some dedicated personnel falling ill at the peak of the project. Some may be so weak that they may not be able to put-in their best. Every events manager should bear this in mind and always have a replacement to step-in. Also proper drafting of work schedule and recreation time helps members of staff refresh and rejuvenate. Avoiding last minute or late preparation also helps reduce stress on workers.
- ii. Injured workers: Accidents that could inflict injury on workers should be guided against during the course of work. Accidents such as falling from great heights by decorators, electrical shocks on people handling lightening and sound, fire incidents on the caterers, etc occur during events planning and execution. Adequate first aid facilities should be made. Quick medical response should also be arranged just in case such things happen. Medical insurance for workers is also important. Ambulance should also be stationed at major events venues.
- iii. Inexperienced personnel: Inexperience and timidity on the part of the workers may be risk. Workers who are not well trained on the nitty gritty of their job descriptions may be an embarrassment to the events manager and thereby create a dent on the reputation of the event managing company. Such workers will only end up

providing poor services and thereby hinder referrals or patronage by the guests who witnessed the occasion.

- iv. Disappointment on the part of the vendors and contractors: The events manager may not handle all aspects of services during the event. He may outsource some services to other vendors. For example, X Events Managers may hire the services of A caterers, B photography outfit, C decorating firm, etc. the involvement of all these vendors may come with its attendant problems. The inability of any of these vendors to provide agreed quality services will have a negative effect on the main events manager (X Events Managers). Such risks may be reduced by the events manager ensuring he works with vendors who have credibility.
2. **Property**: Loss or damage of some equipment could constitute risk. During the course of an event, some property could either get lost or damaged. The events manager should consider the nature of the event (indoors or outdoors), the class of people who will be in attendance, entrance modality (i.e. whether or not entrance is free). These considerations will enable him assess the level of loss of property he is likely to record after the event. Such risk could be transferred to the client. In some cases, a refundable deposit is demanded of the client for such cost of lost property.

However, items that may be damaged by the personnel of the event managing firm are usually not transferred to the client. Depending on the policy of the event managing firm, it could be borne by the firm or deducted from the wage of the worker who got the property destroyed or damaged if it is confirmed that there was carelessness on the part of the staff. In the case of the latter, the worker already knows *ab initio* that he will share in the risk if anything goes wrong due to his carelessness.

3. **Income Risk**: Some events are booked months away. The events manager may do his costing based on current cost as at the time of negotiation. However, inflation may rise within the interval and pose a great challenge to the expected income of the events manager. In some instances, the events manager may even suffer huge loss in a bid to keep to the terms of the service agreement. Rather than risk his reputation, he may choose to bear some financial risks.

Partial payments by clients may also affect smooth planning of events. The payments installments made by clients may limit smooth and early planning by events managers. The events manager may be faced with two options at this stage: to either fund the planning himself and save himself from last minute stress or he may risk waiting for such meager inflow of payment from the client and risk facing last minute stress or spending more money to get things done. Both options are risky. To avoid this, an experienced manager

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should demand an initial deposit of a certain percentage of the agreed payment which can cover the cost of planning to a reasonable extent.

4. **Climate/Weather:** Change in weather conditions especially during the rainy seasons could be detrimental to a successful hosting of an out-door event. A client's request for an outdoor event should be met after the weather condition of the chosen date has been put into consideration. If there be rain, it may affect attendance. It may also affect the comfort of the attendees. It may also cause damages to certain property. It may also inhibit smooth movement of items like food, etc to the venue. The risk of hosting an event during the rainy season may be reduced by making it indoors. Use of weather forecast may also come-in handy. The events manager has the task of checking the weather forecast for the day and offering appropriate advice to his client. Excess heat and inadequate cooling system may also affect the comfort of guests in an in-door event. Therefore, considerations as to the nature of the venue's aeration should come into play.
5. **Government Policies and Calendar:** It may be very risky to fix events few days after a proposed election day. What if the election is postponed? What if there is a bye-election? These could completely disrupt the smooth flow of the event.

Also, considerations should be made as to public restriction of movement during sanitations days and curfew. This should influence planning and fixation of time for the event. On such days, the events manager should ensure that sundry items necessary for the event are moved to the venue at least a day before.

6. **Logistics:** There are some other risks that may arise in the course of managing an event. These include:

- i. Delivery of items like food to occasion venue: Most occasions end without the food getting to the venue. For some, food arrives late. This is either because of breakdown of vehicle conveying such food or traffic jam. Events managers are therefore expected to have a Plan B vehicular arrangement to come to the rescue in case of breakdown. To avoid the risk of being trapped in traffic, the point of preparing the food should not be too far from the venue and adequate arrangement should be made to pick the food on time.

Fragile items like cutleries, chandeliers, cake etc should be transported professionally to avoid disaster.

- ii. Faulty power source may also be a risk during an event: Disruptions of power supply may ruin the success of an event. The events manager should ensure that there is an alternative power source. Faulty Power sockets could also affect the

overall success of an event. This risk can be avoided if the events manager takes the risk of checking the electrical connections well ahead of the event day.

- iii. Out-break of fire is another risk factor involved: This could be sparked off by faulty electrical connection. It is important that an assembly point be marked. Also visible signs of emergency exit should be put-up. The events manager should also make enquiries to ensure that the venue operators have fire extinguishers in place.
  - iv. Gate-crashers: An event which is strictly by invitation is a lot easier to predict than a free-entry event. The “uninvited guests” syndrome which is rife in Africa is a risk. With an over-crowded facility, the events manager may be at the risk of having a bad day. Provisions made for guests may become inadequate. Crowd management may also prove difficult. It is usually impossible to avoid this risk. But it can be reduced by making extra all provisions during planning for gate-crashers.
  - v. Constant review of specifications by client may also be harmful to the smooth execution of the project. The client coming-up at different points to alter some specifications when plans are already on could be time consuming for the events manager. Moreover, such constant reviews could leave the events manager with last minute arrangements which most times are not the best.
- 7. Security:** The security of the attendees during the event should be sensitive, especially where the event attracts a high number of people from the upper echelon of the society. Also, events organized for children should have highly sensitive security personnel monitoring the occasion. Provision of tallies also reduces the incidences of car theft.
- 8. Liability:** There is the risk of liabilities falling due as a result of breach of contract occasioned by any of the risks above.

## **RISK ASSESSMENT**

The events manager should determine the possibility of occurrence of the risk and the severity of the consequences if the risk does happen. Risk with high occurrence possibility should be given utmost attention. The events manager can adopt any of the strategy for risk management.

The steps involved in the Risk Assessment according to Project Risk Management Book of Knowledge are:

1. Risk Management Planning
2. Risk Identification

3. Qualitative Risk Analysis
4. Quantitative Risk Analysis
5. Risk Response Planning
6. Risk Monitoring and Control

### **RISK ASSESSMENT TOOLS**

These available tools assist us to assess the likelihood, frequency, probability and impact of risk occurrence.

<b>Likelihood</b>	<b>Frequency</b>	<b>Score</b>	<b>Your Selection and Why</b>
<b>Rare</b>	This will probably never happen	<b>1</b>	
<b>Unlikely</b>	Do not expect it to happen but it is possible it may do so	<b>2</b>	
<b>Possible</b>	Might happen occasionally	<b>3</b>	
<b>Likely</b>	Will probably happen but it is not a persisting issue	<b>4</b>	
<b>Almost certain</b>	Will undoubtedly happen, possibly frequently	<b>5</b>	

Table 1: Likelihood & Frequency of Occurrence



Risk	Harm caused	Level	Your selection and Why
<b>Negligible</b>	Minimal injury requiring no/minimal intervention or treatment.	<b>1</b>	
<b>Minor</b>	Minor injury or illness, requiring minor intervention	<b>2</b>	
<b>Moderate</b>	Moderate injury requiring professional intervention	<b>3</b>	
<b>Major</b>	Major injury leading to long-term incapacity/disability	<b>4</b>	
<b>Catastrophic</b>	Incident leading to death or an event which impacts on a large number of patients	<b>5</b>	

Table 2: Risk and Harm Cause by Risk Occurrence

Risk Level	Likelihood Score				
	1 = Rare	2 = Unlikely	3 = Possible	4 = Likely	5 = Almost certain
<b>Catastrophic: Level 5</b>	5	10	15	20	25
<b>Major: Level 4</b>	4	8	12	16	20
<b>Moderate: Level 3</b>	3	6	9	12	15
<b>Minor: Level 2</b>	2	4	6	8	10
<b>Negligible: Level 1</b>	1	2	3	4	5

Table 3: Table 1 x Table 2 (Multiple Likelihood/Frequency by Risk/Harm Caused)

**Risks are also described by 2 main factors: Probability and Impact**

Risks that are estimated as occurrences with high probability and high impact are critical. Risks that are estimated as occurrences with low probability and low impact will often be ignored. For each risk a probability/impact matrix can be developed.

		Impact				
		Very Low 1	Low 2	Medium 3	High 4	Very High 5
Probability	Very High 5	5	10	15	20	25
	High 4	4	8	12	16	20
	Medium 3	3	6	9	12	15
	Low 2	2	4	6	8	10
	Very Low 1	1	2	3	4	5

Table 4: Probability and Impact Matrix

**DECISION OPTIONS**

The following are the decision that can be reached after risk assessment:

**Risk Avoidance**: This strategy avoids those activities which come with risk.

**Risk Retention**: Accept some or all the consequences associated with a particular risk.

**Risk Transfer**: Transfer the risk to a third party. Example transferring the event security risk to the security agency.

**Risk Reduction:** Reduce the risk associated with a particular element or activity by developing an effective contingency action plan.

Constant monitoring or review of the adopted strategies is required. Several Risk Assessment Tools are available for proper evaluation/assessment of inherent risks before arriving at decisions. Few of such tools will be discussed here.

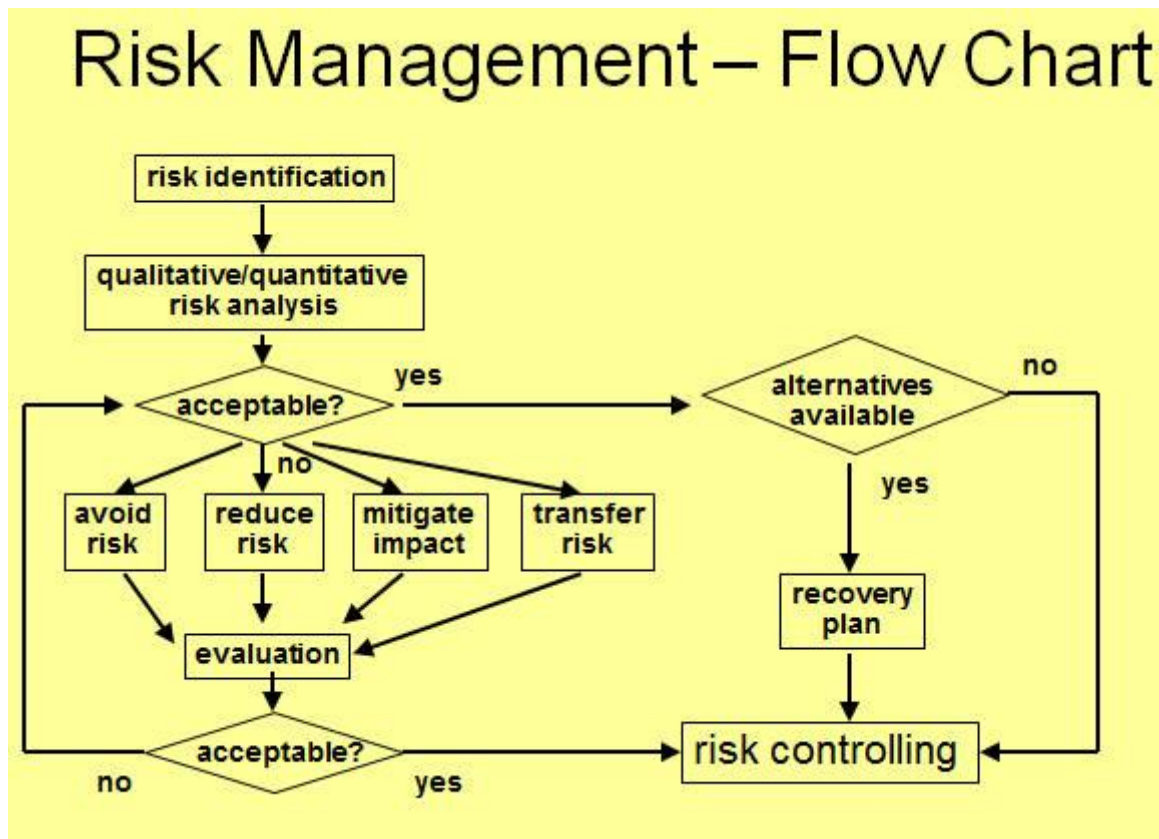
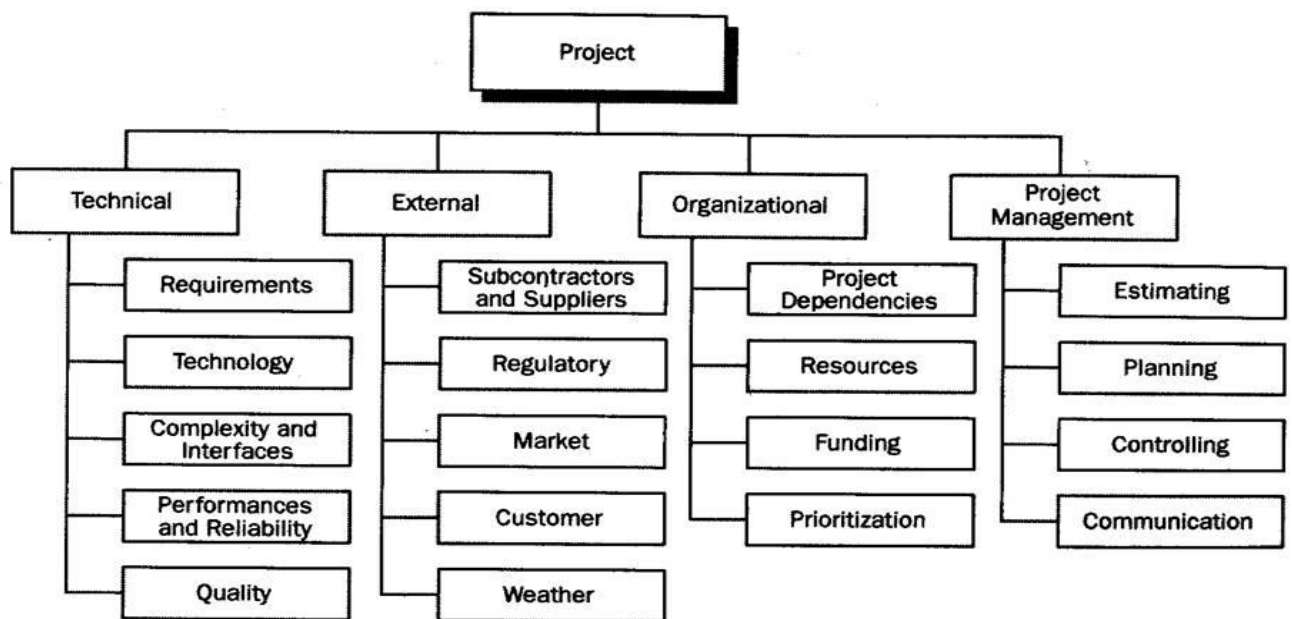


Figure 1: Risk Breakdown Structure - RBS - according to PMBOK



The Risk Breakdown Structure (RBS) lists the categories and sub-categories within which risks may arise for a typical project. Different RBSs will be appropriate for different types of projects and different types of organizations. One benefit of this approach is to remind participants in a risk identification exercise of the many sources from which project risk may arise.

Figure 2: Risk Breakdown Structure (RBS)

## CONCLUSION AND RECOMMENDATIONS

A successful event management is one which placed all anticipated risks in proper perspective. The risk management skill of an events manager affects the growth of his company positively or negatively. Therefore, care should be taken to follow all steps discussed in this work. Proper decisions should also be taken in handling activities with anticipated risk.

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