



Mirvac Hotels and Resorts Cover Story

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RISKY business

EVERY EVENT CARRIES an element of risk and, without being paranoid, the potential for disaster is always around the corner unless proper risk management is in place.

The GET Group has recognised this and has appointed Fulcrum Risk Services to handle this very sensitive aspect of the MICE industry.

Director of Fulcrum Risk Services, Tim Janes, believes that the management of risk is something most of us do everyday, consciously or not, when we decide whether or not to cross the road, go for a swim or eat that slightly undercooked prawn. The decisions may not always be rational or based on reliable information, but by and large, we make it through the day relatively unscathed.

A similarly casual approach to risk management in business would give most managers nightmares, and could cause customers to flee into the arms of the competition. Despite this, many companies do not approach the application of risk management in an organised manner. Risk management may be seen as too time-consuming, too costly, too vague to become a management practice that sits alongside accounting or human resources.

Risk management is a well established and mature process in many industries, such as financial services and energy. There are a multitude of international standards setting out the ground rules, including our own Australian Risk Management Standard AS/NZS 4360. At their core they share the same fundamental concepts and objectives. The aim of risk management is basically to minimise the uncertainty surrounding the outcome of an event. The goal can be to maximise the beneficial results (increased profit, enhanced reputation, satisfied clients and repeat business), or to minimise the undesirable consequences (insolvency, a front page scandal, a disastrous trip and unhappy customers).

These goals can be achieved by developing a clear, consistent process that enables companies to identify, assess and evaluate, and then remove or manage their risks. These risk management principles are certainly applicable to the event planning business as long as they are adapted to suit specific context and requirements of the industry. So what is the context for event planning?

Aside from the financial risks that event planning companies deal with, it is the operational risks associated with organising and running events that are typically considered the most significant. Will the event run smoothly and on time? Will everyone arrive and depart safely? Will the participants relax and enjoy themselves? What happens if something goes wrong? These are some of the event continuity and crisis management risks that are inherent in event planning.

Adding to the challenge are the clients' increased expectations for safety and security during an event. These demands are set against competitive pressures to hold events in new and innovative destinations. Organising a conference for global executives in an Australian country club may be challenging, but it becomes considerably more so if the client's CEO fancies holding the meeting in Egypt or Fiji.

By developing a structured approach that divides the risk management process into logical steps, the potential hazards can be considered and addressed. For example:

1. Identify the risks. What are the risks that could realistically occur during the event? The range of risks can be large, but they can be grouped into categories to make the process simpler, such as environmental risks (cyclone, flood, bushfire), technology risks (power cuts, cancelled flights), political risks (terrorism, protests), personnel risks (illness, non-attendance).

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