

Communication and Hands-On Problem Resolution: A case in event management

By Michelle R. Holm and Debrorah Breiter

Introduction

The intention of this case study is to present a real world scenario encountered by operation managers of destination management companies (DMC), hired for ancillary conference activities (referred to as events) by clients (usually called meeting planners). DMCs are for-profit companies that offer a wide variety of services related to convention and meeting services, and can be especially valuable to meeting planners who are booking programs out of state, or internationally (Harmon, 2011). The industry term “program” refers to convention and/or group business. Convention and/or group business is part of a broader definition for what is otherwise known as a meeting; which is “any planned event in which two or more people get together to accomplish an objective” (Crouch & Ritchie, 1998, p. 50).

DMCs frequently assist meeting planners in booking suppliers and/or venues, as well as ancillary conference activities for the meeting’s attendees (Astroff & Abbey, 2011). When a supplier is contracted by a DMC, the supplier acts as an extension of the DMC, and reports to the DMC with any problems, issues, or concerns, related to the program. The DMC’s capacity to book services and vendors on behalf of their clients is critical to their line of business. In this regard, the DMC will act as a general contractor to book and manage contracts of all suppliers on the program, serving as a one-payment source for the planner which increases the likelihood of maximizing the planner’s budget (Gilmore, 2011). DMC clients typically consist of convention and/or group business clients, who carry a designation akin to the title of “meeting planner”.

DMCs will typically only contract with, and refer, a supplier that they have established a solid and positive relationship with in the past. A good working relationship assures that if something goes awry on the program, the DMC would be able to resolve it with their contractor and salvage any rebooking potential with their client in the future. (Gilmore, 2011). The operations manager featured in this case study works for a DMC that was founded and formed on the philosophy of individual hands-on attention in servicing meeting planner clients. Providing this type of attention can become a challenging endeavor when communication between the service provider and the meeting planner fails, thereby increasing the level of risk and highlighting the need for a

skilled coordinator who can resolve unexpected problems quickly.

Relying on social exchange theory as the theoretical foundation for this case, students will be able to develop a greater understanding into the role of trust and reciprocity for internal communication functions of an organization, and how those factors can encourage all parties involved in the exchange to work harder toward ensuring a smooth event execution. Social exchange theory was first introduced in the mid-60’s to understand how trust can foster a deeper sense of obligation in a relationship (i.e. reciprocity). In other words, an individual is more likely to meet their obligations in an exchange if they believe they will be receiving something in return, thereby adhering to a reciprocity norm (Blau, 1964). The actual exchange connects employee trust and reciprocity to productivity. However, in the MICE industry, the pressure to follow standard operating procedures for program management, while complying with client demands, can create a stressful environment and a hindered exchange, thereby resulting in communication failures. Intertwined with the theoretical framework and the dynamics of communication in the scenario are two additional concepts related to risk management and careful program planning. While there is not a perfect solution to this case, students should achieve a greater awareness as to the practical implications of this scenario, after dissecting the incidents diagnosed in this case.

Background

The Best Destination Management Company (TBDM) is a mid to large full-service DMC serving many cities across the United States, primarily in the Southeast region. Their mission is to provide their clients with unsurpassed service by offering flexibility and flawless event execution, in addition to creative, cutting-edge ideas for program development. By listening to their clients’ objectives to provide cost-effective proposals, and deliver with precision, to meet and exceed their client’s expectations. Their success can be best summarized by the wealth of experience and diversity each independent contractor brings to the organization.

Organizational Structure

At TBDM, all destination managers are classified as independent contractors to reduce overhead, and increase bottom line. Doing so allows the independent contractors to also maximize their profits. The payment structure for each contractor is as follows:

- 60% profit to contractor; 40% to organization. Applies when the independent contractor obtains their own lead, closes the

Michelle R. Holm and Debrorah Breiter are both affiliated with University of Central Florida.

Figure 1

TBDM Organizational Structure



sale, and operates the event.

- 40% profit to contractor; 60% to organization. Applies when the independent contractor does not obtain their own lead, but closes the sale and operates the event.
- 50% profit to contractor; 50% to organization. Applies when independent contractor does not obtain their own lead or close the sale, but handles the relationship with the client after the sale is made and operates the event (i.e. on-site coordination).

The contractor forfeits a portion of their profit if at any time they employ another individual to assist with their event. This would include office work such as assisting with function sheet preparation, and event operation. The individual employed is paid 10% of the event's gross profit, or \$20/hour, whichever is greater.

Most independent contractors at TBDM are hired with a title of destination manager, but some begin in an operations manager role if they lack sales experience. An operations manager is responsible for managing program logistics according to the contract and function sheets for the event. A destination manager has two very distinct roles: one is to sell; the other is to operate. Sales is the primary role, but the individual is responsible for more than solely obtaining leads and closing sales. They are also responsible for writing proposals and contracts, coordinating vendors, writing the function sheets (i.e. resume of services), and distributing event information/instructions to the operations team. If destination manager chooses to operate their own event, it would increase their commission, however many choose to employ other independent contractors within, or ancillary to the organization to operate their events, for one of two reasons. One, they either lack the operational experience to do it themselves, or two, they would rather be utilizing their time to close additional sales. Regardless, destination managers are responsible for their own clients. If a destination manager sells an event, they are responsible for staffing it and communicating the appropriate details, and delivering the correct function sheets to the operations team.

The Destination Manager

Carly began working at TBDM as a destination manager two years ago. After receiving her degree in Communications, it was her first job out of college. With limited experience in the hospitality industry, she was relatively new to writing proposals and contracts for clients. When she began working at TBDM, Carly did not always comply with standard operating procedure (SOP) because she found it too time consuming. In turn, she found shortcuts in existing processes, and decided that her own methods worked just as well. The clients seemed to be satisfied, and her boss didn't seem to notice that she wasn't using SOPs since hadn't had any major issues on programs, yet.

The Operations Manager

Hannah, new to TBDM, was just learning the ropes of becoming a destination manager, so she began in an entry-level role as an event operator. Once she masters event operations, she would be promoted to a destination manager role and begin contracting their own events. Hannah had a degree in hospitality management and her career had led her through several positions in event operations in venues. The one thing Hannah had going for her was that she was a seasoned event operator, so she expected to be moving up to sales in no time.

The Client

Shannon was the meeting planner for Superior Medical Supplies. Having used TBDM for a larger meeting in the past, she decided to utilize their services again, but this would be her first time using them for a small event. The group totaled 25 people, and the primary objective of the program was for the medical supply salespeople to wine and dine their potential buyers. The buyer demographic consisted of middle-aged men, primarily medical doctors, who owned their own practices, and were in the market for new medical supplies and equipment.

The Event

The day before her event, Shannon called Carly and asked to add an event to the end of the itinerary to show their potential clients a good time. She was looking for a classy, yet entertaining, bar/lounge to host the closing event in. Eager to appease her client, Carly immediately called the Red Carpet lounge and spoke with Stacey (one of the lounge's event managers) to book a private party area on the patio. The Red Carpet Lounge was a public bar/lounge that featured live entertainment on a nightly basis. Since it was a last minute booking, Carly did not have time to update/addend the client contract. So she included the contract between the venue and TBDM in the operator packet for Hannah instead. On the day of the event, Carly emailed Hannah, explaining that another stop had been added to the itinerary that was not included in the resume of services (comprehensive timeline) or the contract between TBDM and the client, but the contract with the Red Carpet Lounge was attached to the operator packet instead.

It was 6:00 pm and Hannah was waiting at the hotel for the group to load the 27-person VIP motor coach. Dinner was scheduled at an upscale restaurant nearby, at 7:00 pm. The attendees loaded the bus at 6:15 pm and Hannah took a head count to make sure everyone was accounted for. Afterward, Hannah sat down next to Shannon to begin reviewing the evening's agenda. Since a new stop was added at the Red Carpet Lounge, she wanted to confirm the arrival and departure times and program logistics. Hannah did not receive any staff instructions from Carly, except for the transfer times and venue contract, so she wanted to verify with the planner that she had the correct information.

By 9:00 pm, the attendees finished dinner and loaded the bus to depart for the Red Carpet Lounge. As Hannah was taking a head count, she noticed that the group was a little more boisterous. She thought that perhaps the group may have had a little too much wine at dinner, but quickly dismissed the thought, and directed the driver to the Red Carpet Lounge.

The motor coach pulled up to The Red Carpet Lounge at 10:00 pm. Sloan, another event operator for TBDM who had staged the venue for the group's arrival, greeted Hannah. It was standard operating procedure for TBDM to assign one event operator to the group for the transfer (i.e. on the bus), while another operator prepared the venue prior to their arrival. Typically, both event operators remain at the venue until the end of an event, however Sloan informed Hannah that she had to leave early and could only stay through the first half-hour of the event. Hannah felt at ease with Sloan's news, as she was confident in her abilities to be able to operate the event on her own, and felt secure in the fact that she had all the information she needed in her operator packet to get her through the remainder of the evening. After Sloan introduced Hannah to Becky, the contact person at the venue, she left for the evening. Becky was filling in for her colleague Stacey, who had worked with Carly to contract the event, but Hannah was unaware of this at the time.

Once the group unloaded the bus, they went directly to the bar to get their party started. The group seemed pleased with the choice of venue and began drinking and dancing to the live entertainment. It was a beautiful night, so a good portion of the group decided to stay on the patio, while the remainder went inside to dance. While Hannah was offered many drinks that evening, she suspected it might be unethical to drink with a client, so she declined and decided to keep a keen eye on the group who remained on the patio to ensure everything went according to plan until their departure. As the evening progressed, Hannah realized that she lost track of her client, Shannon. Dismissing any concern, she figured that she would find her later, so she remained on the patio to oversee the event.

Since the departure time was set for 12:00 am, Hannah began searching for Shannon at 11:45 pm to help her load the bus. When she found her, Shannon was visibly intoxicated and was not very helpful in assisting Hannah to load the bus. The lounge did not close for another two hours, so a lot of the attendees wanted to stay longer. Hannah explained to Shannon that every half-hour that the bus driver was kept on the clock, the fee would increase \$50. Shannon seemed indifferent, so Hannah was unsure of how to proceed. Eventually, she decided to take matters into her own hands and continue to try to load the bus by herself. The last thing she needed was the client not remembering that she had warned her of the additional fees the next morning.

Just as Hannah began another attempt to load the attendees on the bus, she noticed a server at the lounge handing the bill to Shannon. Hannah checked her operator packet, but could not find any information about who was supposed to pay the bill, so she intercepted the check before the client could open it. Since Becky was standing nearby, she asked her who was contracted to pay for the event, but Becky was unsure. She thought that Stacey had told her that the clients would be paying for themselves. It was in this moment that Hannah realized that someone at TBDM dropped the ball, so she started to panic. She was new to TBDM, so she wasn't sure if it was customary for the client to pay, or if TBDM was always responsible contracting a venue for a client. Hannah thought to herself, "If the client pays, we won't make any money on this event – why would we do that? Maybe we are doing it as a favor since Shannon was a repeat client?" With her mind racing, she questioned her own judgment and decided to call Carly, but Carly wasn't answering her phone. She called repeatedly, but Carly continued to decline the calls.

Hannah tried to maintain her composure in front of the client, but she was very frustrated at this point. Shannon was fortunately oblivious to the situation, so with the check in hand, Hannah asked Becky to walk to the back office with her so that she could view the venue's version contract between The Red Carpet Lounge and TBDM. When they walked into the office, Hannah noticed that the contract had her boss's credit card information attached to it. Hannah tried calling Carly again,

with no success. So, she decided to go with her gut instinct and told Becky to bill TBDM for the event. Feeling moderately confident in her decision, she returned to the bus, and was able to load the majority of attendees on to the bus by 12:30. There was a small portion of the group who decided to remain behind and take a taxi back to the hotel.

Discussion

This scenario addresses several issues pertaining to faults in communication on several levels (between the venue, TBDM, and the client), and suggests several areas for improved hands-on problem resolution when critical errors occur on a program. Some of the problems that occurred were outside of Hannah's control, however because she was the "face" of TBDM on the program, she was ultimately responsible for ensuring a smooth execution. Where did some of the problems originate in this scenario, and with whom did they originate? What did TBDM do correctly, and what did they do wrong? What are some of the ethical and legal considerations when working with intoxicated clients and/or guests?

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Recommended Readings

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