

A Framework Model on Supply Chain Event Organization (Cases in Event Organizer, Jakarta)

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ABSTRACT

Supply chain management has become an important aspect in companies in every sector, including the manufacturing and services sector. Event organization is a type of project management that involves the creation and development of events, such as festivals, conferences, ceremonies, formal parties, concerts, or conventions. The supply chain in event organization is integrated with many divisions inside a firm, including distribution, supplier, logistics, marketing, customer banquet, task status events, inbound and outbound shipment, and operational event. New Diamond Event Organizer, a company based in Jakarta, Indonesia, provides event organization. This research aims to produce a framework supply chain model in an event organizer where the company wants to achieve competitive advantages. A qualitative approach with case studies from the New Diamond Wedding Organizer was used. Data were obtained through interviews, observations analyzed, and conclusions drawn. The framework supply chain event organizer (SCEO) can help an organization in monitoring the event for the success of business processes in event management through functional internal integration and the integration of service providers such as suppliers, distribution integration, transportation integration, support capacity, infrastructure integration, and workflow event model.

Keywords: *supply chain management (SCM); supply chain event organizer (SCEO), event management.*

1. INTRODUCTION

Currently, the competition in the field of activity management services or event organization has increased significantly because of its role and contribution in controlling activities. Event management or companies better known as event organizers, includes providing service for an activity or an integrated activity. It involves the movement of many resources from one unit activity to another through the process of transformation to achieve the purpose of an event. Event organizers must achieve the identified goal to realize the wishes of user companies. For example, the goal can be for the event to become an attraction for the community, or for the number of participants to increase through the events, or to attract enthusiastic customers with a series of events to increase the flow of the series of events capable of bringing emotions and for the series of events to run well without any significant problems (Megananda and Wijaya, 2009: 5). Therefore, the event organizer must prepare the implementation of the event carefully in accordance with the goals set by the client company. The event organizer plays an important role in the implementation of an event and in achieving the purpose of the event. A number of researchers, including Goyal

(1976), Monahan (1984), Banerjee (1986a, 1986b), Goyal (1987, 1988, 1995), Lee and Rosenblatt (1986), Joglekar (1988), Lu (1995), Bukit (1997), and Pan (2002) suggest that the suppliers' performance in supporting the events are critical particularly when the vendor's role is to supply both material and product to the company as well as a coordinated inventory policy.

Organizing events has become increasingly popular as a marketing strategy for companies to interact directly with their target consumers or community. During the events, the products can be examined closely and perceived directly by the consumers. With the expertise of the event organizers, an ordinary event can be transformed into a fun and entertaining spectacle (Hafidz, 2007: 3). The use of event organizers is also diverse, and may sometimes include making the wedding party become more interesting and more systematic. Other events may be in the form of talk shows or competitions in drawing, fashion show, race event, and the like or activities that support the holding of an activity. Event organizers can be hired either before, after, or during the activities, such as building reservations, provision of space, interior preparation, provision of a sound system, provision of performers and so on. The ease offered by the event management/organizer has now become a kind of need whenever an institution, company or person wants an event to be held, with event management/organizer becoming the easiest solution (Tyas Permana, 1987).

In Indonesia, marriage ceremonies are often complicated and involve various customs that require considerable information on the process of managing the wedding. These processes may be in terms of material procurement, which involves vendors or suppliers, or the arrangement of events that require complete information on a certain culture. Problems may also arise when the wedding organizer's staff takes a long time to ascertain whether the service provider desired by the client is available on the particular date that the client wants to hold the wedding event.

Activities undertaken by an event organizer before the activity is implemented includes creating the initial plan concerning items from theme selection, scale of activities, stage, tent, MC event, activity strategy, budget, as well as places. Figure 1 below shows some of the problems that are often encountered in the implementation of activities.

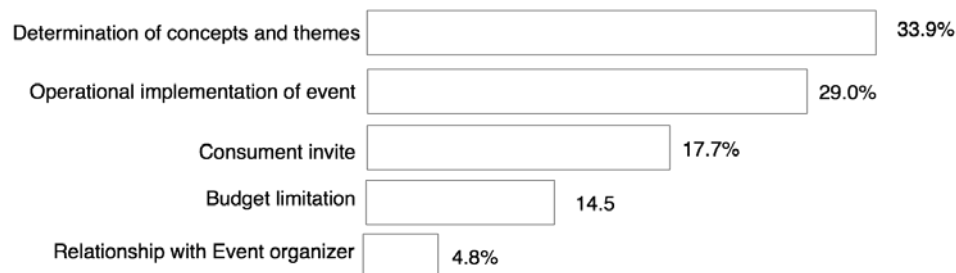


Figure 1. Common issues in event organization

Source: PPM 2008

Based on the above description, studying how the supply chain strategy in companies providing services in event organization is necessary. The case taken for this study is that of an Indonesian company, New Diamond Wedding Service. The main research question is what is the framework of supply chain at New Diamond Wedding Service. The purpose of this research is to analyze and build a framework on supply chain event organizer (SCEO) that event organizers could apply to increase their probability of success.

About New Diamond Event Organizer

New Diamond Wedding Organizer is a private company established in 1990 in Jakarta, Indonesia. New Diamond is a service company offering one stop shop service in organizing events. To support the company's activities, New Diamond Wedding Organizer has four divisions, namely operations human resource development, marketing, and finance division. Each division has units interconnected with each other. The New Diamond Wedding Organizer currently has 265 employees with an average weekly workload of seven events.

2. THEORETICAL BACKGROUND

Supply Chain

According to Chopra & Meindl (2013), supply chain management (SCM) can be seen as the management of all streams of information, products, or finance that generate costs within the supply chain. Supply chain management involves the management of streams between stages and at each stage of a supply chain to maximize the total profits of the supply chain. Similarly, Heizer & Rander (2004) define SCM as activities for managing activities to obtain raw materials and transform them into processed or semi-finished and finished goods and then deliver the products to consumers through a distribution system. These activities include traditional purchasing functions as well as other important activities related to suppliers and distributors. Chow et.al. (2006) defines SCM as a holistic and strategic approach toward demand, operations, purchasing, and logistic process management. One key factor for optimizing the supply chain is to create an easy and accurate flow of information between the network or the link, and the effective and efficient movement of goods that result in maximum satisfaction with end users.

The latest developments in the concepts used and developed to improve the efficiency and effectiveness of the movement of goods or materials are as follows:

1. Reduce the number of suppliers to reduce uniformity, negotiation costs, and tracking. This concept is the beginning of the trend that moved from the concept of multiple suppliers to a single supplier.
2. Develop a supplier partnership or strategic alliance. This concept assumes that only through partnership suppliers can key suppliers for certain materials become reliable sources and guarantee the smooth movement of materials in the supply chain.

Three factors form the basis for decision-making in supply chain management:

1. Strategic level is a long-term decision related to the location (geographical location), production (determining what product is made, where the manufacturer is located, which supplier is used, from which plant the product is supplied, and the inventory throughout the supply chain), and transportation (mode of transportation).
2. Tactic level is a mid-term decision that estimates the magnitude of monthly, weekly, MRP, and production plans as well as the distribution and transportation plans.
3. Operational level refers to a decision on day-to-day operational activities.

Drivers of the Supply Chain

Chopra and Meindl (2013), list the factors that influence the performance of the supply chain as follows:

1. Inventory

Inventory includes all raw materials, as well as intermediate and finished goods. Inventory is one of the important supply chain drivers because changes in inventory policy can drastically change the level of responsiveness and supply chain efficiency. The components of the inventory decision are as follows:

- a) Cycle inventory refers to the average amount of inventory used to meet the demand at a given time. The average amount depends on which supply chain strategy they apply (responsive or efficient) by taking into account the ordering and holding costs.
 - b) Safety Inventory refers to the inventory made to guard against insufficiency of estimates in the presence of over-demand. This type of inventory is used to overcome uncertainty over high demand.
 - c) Seasonal Inventory refers to the inventory created to overcome predictable diversity in demand. Companies that use seasonal inventory will build their inventory during periods of low demand and keep it for high demand periods when they cannot produce all the needed goods to meet the demand.
3. Transportation refers to the supply from point to point in the supply chain. Transportation consists of many combinations of models and shapes that have their respective advantages.
 4. Facility refers to places in the supply chain networks where inventory is stored, assembled, or produced. The components of the facility decision consist of location, capacity, operation methodology, and warehouse methodology
 5. Information. Information consists of data and analysis relating to inventory, transportation, facilities, and customers throughout the supply chain. Information presents the management with the of the opportunity to make the supply chain more responsive and efficient. Information is potentially the biggest driver of supply chain performance.

New Framework: Supply Chain for Event Organizers (SCEO)

Event organizer

The word “events,” which is derived from the English language, has the meaning of events or events when translated into the Indonesian language. While the Organizer has an indicator in Indonesian. Organizers have an important role in the success of activities, projects and concrete objects in a cohesive and efficient way. An organizer is usually known for his ability to group and organize systematically what is before him in an orderly and logical manner. Thus, Event Management refers to the processes by which an event is organized and those subordinate to a business are guided to achieve predetermined goals in a particular organizational body.

Event organization is a service intended not only for clients to have a well-organized and smooth event, but also serves as a means of brand activation. Event organizers play a role in the creation of the concept of promotion through a unique, communicative, and attractive activity and realize the concept through a set of processes that begin with the preparations to the realization of the purpose of promotion, such as cultivating the brand image and raising brand awareness to obtain a positive effect on the sales (Megananda and Wijaya, 2009. To realize the desires of the

user service company, a goal must be established; for instance, to make the event attractive to the public, increasing the number of audience, improving the enthusiasm of the consumers through a series of events, engaging the emotions of the customers through the flow of the series of events, and the event is expected to run well without any significant problems.

The event organizer must be ready for the implementation of the event in accordance with the goals to be achieved by the company. The pre-event process involves concept making, concept development, and formulating creative content to attract the community to visit and participate in the event, as well as deciding on the artists and crew for the event. The event also has to be promoted and made known to the community by the event organizer to ensure the success of the event (Megananda and Wijaya, 2009: 5).

Wedding Organizer

The wedding organizer refers to a special service that assists the bride and groom in the planning and supervision of the implementation of the series of events in a wedding according to a events in predetermined schedule. Each bride is unique and hence, not all couples opt to obtain the services of a wedding organizer.

Business Wedding Organizer

A business wedding organizer provides services through the organization of activities related to the needs of a wedding. This business grew out of the preference of people for speed, convenience, and practicality to compensate for the lack of time for people with hectic schedules. As more businesses offer wedding organizing services, potential users or clients should be more selective in choosing a reliable and trustworthy wedding organizer. The business wedding organizer should be knowledgeable of the right planning program to increase their competitiveness and better reach and satisfy the target market. Under competitive market conditions, satisfying what the client wants is one of the keys to success. Therefore, updating the planning strategies that have been applied is necessary. The business wedding organizer should improve its planning process because this process serves as the basis of the events being organized.

Points of Consideration for the event organizer

Event management is about detail and hard work. How it works has a reference that does not differ considerably from the basic principles of work in other fields. Some important factors are as follows:

- *Program Understanding.* All implementing teams must have a level of understanding of the specific program, both the technical aspect and the “soul” of the program.
- *The Art of Imagination.* The image of the realization of an event is only in the event organizer’s mind until the program is actually implemented,. Factors such as the plot climax, attraction, surprises and others must be considered.
- *Written Concept.* This factor refers to the written proposal, which should be concise, informative, detailed, interesting, and easy to understand.
- *Working Time Design.* This factor is referred to as the time schedule, which includes a detailed set of events (run down).
- *Contact Viewer.* The movement of the contacts of all parties involved or related to a particular program should be conducted in detail, with clarity, preciseness, and accuracy.

- Budget Plan. The budget draft in principle must be controlled every day, even per two hours when approaching day H. Control is important to prevent going over budget, and requires the ability to balance and be resourceful.
- Information. Providing information is a step that could bring in guests or audience. For private programs, an invitation is sufficient while for larger events this includes publicity, marketing, promotion, and others.
- Control on the execution. Approaching the day of execution and at the time of execution, the level of control should increase, because unexpected issues could arise that require quick reaction to implement plans A, B, C and so on.
- Shared Prayer. This step becomes very important because whatever we plan and do, we need to build solidarity and beg God Almighty to give us the gift.
- Final report. After the evaluation, all materials must be compiled into a complete final report file. (resource: <http://manabacommunication.blogspot.co.id/2013/10/definition-system-work-event-organizer.html>)

3. RESEARCH METHODOLOGY

This research uses descriptive qualitative research method, which is based on the philosophy of positivism, and involves examining the conditions of natural objects, (as opposed to experiments) where researchers are the key instruments, sampling of data sources conducted through purposive, collection techniques with triangulation. In this research method, data analysis is inductive, and qualitative research results give more emphasis to the meaning of the generalization (Sugiyono, 2010: 15). Sukmadinata (2009: 18) states that descriptive research aims to define a state or phenomenon as it is. Bogdan and Taylor (in Moleong, 2007: 3) suggests that qualitative methodology is a research process that produces descriptive data in the form of written and oral words of observed persons and behaviors. Qualitative research is a study that uses a naturalistic approach to finding and understanding the subject of the study.

The object of research is the programs designed and run by the company New Diamond as an event organizer. Data were collected through documentation, observation, and interviews. Data analysis techniques for organizing and sorting data into patterns, categories, and units of basic descriptions were used to answer the purpose of research.

Some types of data collection techniques in qualitative research include observation, focus group discussion, in-depth interview, and case study (Kriyantono, 2012: 95). To obtain the data in this study, the techniques that researchers used were in-depth interviews and documentation. An in-depth interview is a method of collecting data or information by way of direct face-to-face conversation with an informant to obtain complete and in-depth data. This interview was conducted with high frequency (repeatedly) and intensively. In this in-depth interview, the interviewer has relatively no control over the informant's response, meaning the informant is free to give any answer. The sampling technique used by the researcher is purposive sampling and snowball sampling. Purposive sampling is a technique of retrieving data sources with certain considerations, while snowball sampling is a technique of sampling data sources that starts from a small amount, growing to a larger number. This is technique is used primarily when the number of small data sources cannot provide satisfactory data, causing researchers to search for other possible sources of data. (Sugiyono, 2012: 218-219).

4. RESULTS AND DISCUSSION

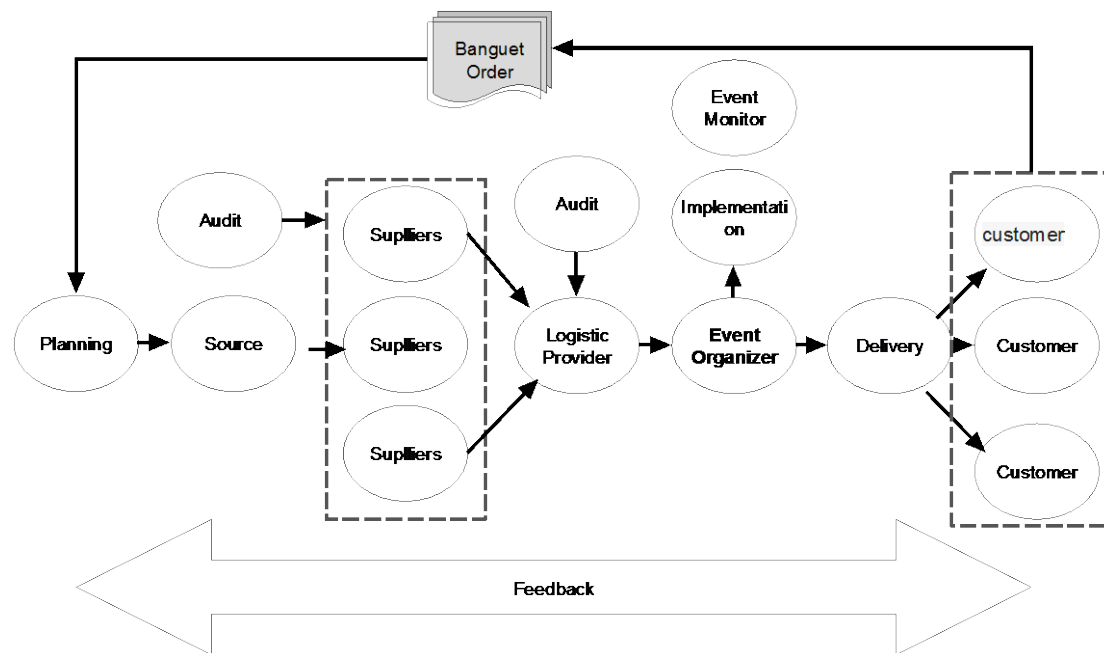


Figure 2. Supply Chain Event Organizer Framework

Planning

Good planning will lead to the success of an organizer's activities. However, no success can be achieved without planning and preparation. The success of an event depends heavily on the preparations for the event. Even the success of an event can be predicted from this readiness factor. Preparation can start from forming the team and determining individual tasks. This phase consists of translating ideas from the consumer into a concept, team building and division of work or task, drafting of creative concept, budgeting, rundown, talent, artistic and design, determination /survey / observation place, equipment, accommodation, consumption, transportation, documentation, target audience, and others. It may also include planning on the production of promotional materials, publications, socialization, settlement of administration, contract, permit, place, ticketing, and others.

Resource

Before an event is implemented, a team is created. Members of the team will have their respective responsibilities, and hence, the right team composition is very important and can determine the success of an event. Building the team earlier will make it easier and give time to plan the event design and confirm the availability of tools needed.

Supplier

The supplier is an event organizer's partner that provides support through the supply of materials for the event, such as fresh flower supplier for stage design, diesel/electric generator rental supplier, a meat supplier for kitchenware, table rental supplier, chair, tent, partition, carpets, tablecloths, music equipment suppliers, etc. Each event organizer should have a good relationship and a wide network with various companies

that supply the equipment. Broad mastery of the network makes it easier for the organizer to work on an event because it will be more flexible in its choice to realize competitive price offerings. Choosing a supplier can take considerable time and resources when the supplier is not a key supplier. For key suppliers with potential for long-term relationships, this selection process may involve a preliminary evaluation, inviting them for presentations, site visits, and so on.

Logistic Provider

The role of logistics in an event organizer is very important because this unit plans and determines the needs of the different units. The logistics unit performs analysis and evaluation on the procurement of goods and/or services required by other work units to support the service and operation of an event/activity. A manager undertakes the planning and determination of the needs of an activity. For example, an event organizer could hold an event in which a logistics manager must make arrangements regarding what goods or objects are needed to support the event.

Event organizer

The event organizer stage refers to the internal party responsible for the smooth implementation of an event demanded by the consumer. In every event organization, people who understand the management and coordination of an event from A to Z. Usually, experience and flight hours are high. Her friends and acquaintances are myriad. They must have the required skills and the sensitivity to potential problems that usually arise in event organization. Anything related to the technical event of his position is held by a production manager. Technical items refer to the stage, light system, sound system, front of the house, security, tents, electricity, and others. Production managers have several people who act as their right hand. One right hand handles the stage, lighting, sound system, security/security, or electricity. Coordination is the key word in this division. Positions under the production manager include assistant production manager, traffic management officer, administrative officer (arranging everything related to production finance), venue coordinator (set everything related to the venue/event location), security coordinator (arranging everything related to event security), stage coordinator (set everything related to stage), lighting system coordinator (arrange everything related to lighting), vendor coordinator (arranging everything related to vendors/suppliers etc.), and general support coordinator (regulates all general things related to production).

Evaluation of activities/events also needs to be done. Usually, the event organizer issues a form of news events to be signed by the consumer if they agree with the results.

Delivery to customer

The last stage in the event organizer activity is the handing over of the event by the event organizer to the consumer. At this stage, the organizers must prioritize the event's quality and not profit. If the consumer is satisfied with the quality of the work of an event organization, then the event organizer could also be contacted again for his services. In addition, other parties who have heard the advantages of this event organizer can become new clients.

5. CONCLUSION

In summary, event organizers require the supply chain event organizer (SCEO) framework to clarify the role of each stage of the company's supply chain. The SCEO framework can be described as the beginning with the stages of planning concepts that come from consumers. This planning stage will be responded to by the marketing department to publish a sequence of orders, which is then forwarded to the procurement and purchasing divisions to undergo the process of verification of internal needs. Stages of the source are necessary to determine the availability and amount of existing resources within the company. The supplier part of the event is concerned with the organizer's supply chain that will strengthen and support quality materials required by the company. Logistics is a division that accommodates various inputs coming from external companies including input from suppliers. Event organization is a conversion process that will run or implement the ideas of various parties both internally and externally. Finally, concrete results in the form of a design that is agreed to by the consumer and the organizer must be shown in the building or expedition hall. To achieve the desired quality, the event organizer company must always conduct an evaluation and verify with the consumer and the internal party whether the result is in accordance with the standards. For that, the company needs to conduct an audit of conformity within the internal event organizer to provide satisfaction for consumers.

The proposed framework Model Supply Chain Event Organization is expected provide input for wedding organizer businesses in event planning to improve the competence of the performance of the companies.

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