

# **Project management application during festive season in Sheraton Grand Hotel & Spa Edinburgh**

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### Úvod

#### I. Teoretická část

- Zhodnoťte literární prameny a zformulujte teoretická východiska pro obsahové a technické zpracování event marketingového projektu.

#### II. Praktická část

- Provedte analýzu potřeb zainteresovaných stran a socio-kulturní analýzu na vybraném vzorku respondentů.
- Vypracujte projekt na vytvoření ideální event marketingové aktivity v Sheraton Grand Hotel and Spa Edinburgh.
- Uveďte možné náklady, přínosy a rizika spojená s implementací navrhovaného projektu do praxe.

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- [4] PORTNY, Stanley E. Project Management For Dummies. 2nd edition. Indianapolis, Indiana, USA : Wiley Publishing Inc., 2007. 366 s. ISBN 978-0-470-04923-5.
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## **ABSTRAKT**

Hlavním cílem této diplomové práce je popis momentální situace hotelu Sheraton Grand na základě vypracovaných analýz a vytvoření ideálního plánu pro slavnostní večeři v tomto hotelu během Vánočních svátků pro rok 2010. Proto se teoretická část zabývá projektovým řízením se specifikací na organizaci událostí. Jsou zde použity a vypracovány analýzy jako PEST, SWOT nebo Porterova analýza pěti sil, společně se specifickou analýzou používanou v hotelu a nestrukturovanými rozhovory s hotelovými zaměstnanci. V projektové části je vypracovaný návrh na výše zmíněnou událost s několika doporučeními a analýzou nákladů, přínosů a rizik.

Klíčová slova: Projektové řízení, organizování událostí, PEST analýza, Porterova analýza pěti konkurenčních sil, SWOT analýza, struktura rozpisu práce, Ganttův diagram, metoda kritické cesty

## **ABSTRACT**

The main objective of this thesis is to describe current situation of the Sheraton Grand hotel on the basis of analysis and to propose ideal plan for Christmas dinner party in 2010. Therefore the theoretical part defines project management and event management specifics. PEST, SWOT and Porter's five forces analysis are formulated here along with specific analysis used in hotel and unstructured interviews with hotel employees. In project part there is a Christmas dinner party plan and several suggestions altogether with costs, contribution and risk analyses.

Keywords: Project management, Event management, PEST analysis, Porter's five forces analysis, SWOT analysis, Work Breakdown Structure, Gantt chart, Critical Path Method

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I hereby declare that the print version of my Master's thesis and the electronic version of my thesis deposited in the IS/STAG system are identical.

# CONTENTS

<b>INTRODUCTION .....</b>	<b>11</b>
<b>I THEORY.....</b>	<b>13</b>
<b>1 PROJECT MANAGEMENT.....</b>	<b>14</b>
1.1 PROJECTS .....	15
1.2 DEFINING THE PROJECT .....	15
1.2.1 <i>Making the rules</i> .....	16
1.2.2 <i>Project's documents</i> .....	16
1.2.3 <i>Project Life Cycle</i> .....	18
1.3 PLANNING .....	19
1.3.1 <i>Risk management</i> .....	19
1.3.2 <i>Work breakdown structure (WBS)</i> .....	20
1.3.3 <i>Scheduling</i> .....	20
1.3.4 <i>Budgeting</i> .....	21
1.3.5 <i>Quality</i> .....	22
1.4 CONTROLLING.....	23
1.4.1 <i>Team</i> .....	23
1.4.2 <i>Communication</i> .....	26
1.4.3 <i>Changes to the project and measuring progress</i> .....	27
1.4.4 <i>Close out</i> .....	27
<b>2 EVENT MANAGEMENT SPECIFICS.....</b>	<b>29</b>
2.1 EVENT OBJECTIVE .....	29
2.2 PLANNING THE EVENT .....	29
2.2.1 <i>Health and safety</i> .....	30
2.2.2 <i>Defining the audience and its size</i> .....	30
2.2.3 <i>Advertising</i> .....	30
2.2.4 <i>Event attractions</i> .....	31
2.2.5 <i>Accommodation and services</i> .....	31
2.2.6 <i>Site</i> .....	32
2.2.7 <i>Traffic management</i> .....	32
2.2.8 <i>Miscellaneous areas of consideration</i> .....	32
2.2.9 <i>Money and accounts</i> .....	32
2.2.10 <i>Setting up and site maintenance</i> .....	33
2.3 FINAL DEBRIEF AND REPORT .....	33
<b>3 ANALYSES .....</b>	<b>34</b>
3.1 PEST ANALYSIS.....	34
3.2 PORTER'S FIVE FORCES ANALYSIS.....	34
3.3 SWOT ANALYSIS.....	36



<b>4</b>	<b>HOTEL'S OWN ANALYSES .....</b>	<b>37</b>
4.1	GUEST SATISFACTION INDEX (GSI).....	37
4.2	POST EVENT FOLLOW UP QUESTIONNAIRE.....	37
4.3	UNSTRUCTURED INTERVIEW .....	37
<b>5</b>	<b>THEORY OUTCOMES.....</b>	<b>38</b>
<b>II</b>	<b>ANALYSIS .....</b>	<b>39</b>
<b>6</b>	<b>ABOUT SHERATON GRAND HOTEL.....</b>	<b>40</b>
6.1	SHERATON AS A PART OF STARWOOD HOTELS .....	40
6.1.1	<i>History</i> .....	40
6.2	SHERATON GRAND HOTEL & SPA EDINBURGH .....	41
6.2.1	<i>Dining</i> .....	42
6.2.2	<i>The One Spa</i> .....	43
6.2.3	<i>Departments participating in events organising</i> .....	43
6.2.4	<i>Main competitors</i> .....	44
<b>7</b>	<b>ANALYSES FORMULATION .....</b>	<b>46</b>
7.1	PEST ANALYSIS.....	46
7.1.1	<i>Political</i> .....	46
7.1.2	<i>Economical</i> .....	47
7.1.3	<i>Social</i> .....	47
7.1.4	<i>Technological</i> .....	48
7.2	PORTER'S FIVE FORCES ANALYSIS .....	48
7.2.1	<i>Bargaining power of suppliers</i> .....	48
7.2.2	<i>Bargaining power of customers</i> .....	49
7.2.3	<i>Threat of substitute products</i> .....	49
7.2.4	<i>Competitive rivalry within an industry</i> .....	50
7.2.5	<i>Threat of new entrants</i> .....	50
7.3	SWOT ANALYSIS.....	51
7.3.1	<i>Strengths</i> .....	51
7.3.2	<i>Weaknesses</i> .....	52
7.3.3	<i>Opportunities</i> .....	52
7.3.4	<i>Threats</i> .....	53
7.4	GUEST SATISFACTION INDEX REPORT .....	53
7.4.1	<i>Overall satisfaction</i> .....	53
7.4.2	<i>Problems experienced</i> .....	54
7.4.3	<i>Main GSI composites</i> .....	56
7.4.4	<i>Miscellaneous graphs</i> .....	61
7.5	UNSTRUCTURED INTERVIEWS OUTCOME .....	62
7.5.1	<i>The general life cycle of an event</i> .....	62
7.5.2	<i>Planning</i> .....	64

<b>8</b>	<b>ANALYSES OUTCOMES.....</b>	<b>65</b>
<b>9</b>	<b>CHRISTMAS DINNER PARTY PLAN PROPOSAL .....</b>	<b>67</b>
9.1	EVENT DESCRIPTION AND BASIC INFORMATION .....	67
9.1.1	<i>Information about the event.....</i>	68
9.1.2	<i>Project roles and responsibilities .....</i>	70
9.2	PLANNING.....	72
9.2.1	<i>Work Breakdown Structure.....</i>	72
9.2.2	<i>Gantt chart.....</i>	73
9.2.3	<i>General planning.....</i>	73
9.2.4	<i>Detailed planning .....</i>	75
9.2.5	<i>Operation part .....</i>	76
9.3	RISK ANALYSIS .....	81
9.4	CLOSE OUT.....	82
9.4.1	<i>Budget.....</i>	82
9.4.2	<i>Various recommendations .....</i>	83
<b>10</b>	<b>CHRISTMAS DINNER PARTY IDEAS SUGGESTIONS.....</b>	<b>85</b>
10.1	FOR ADULTS IN GENERAL .....	85
10.2	FOR GIRLS’/HEN’S NIGHT OUT .....	85
10.3	VIP PARTY .....	86
10.4	SLUMBER PARTY .....	86
10.5	DECORATIONS.....	86
	<b>CONCLUSION .....</b>	<b>87</b>
	<b>BIBLIOGRAPHY .....</b>	<b>89</b>
	<b>LIST OF ABBREVIATIONS .....</b>	<b>92</b>
	<b>LIST OF FIGURES .....</b>	<b>93</b>
	<b>LIST OF TABLES .....</b>	<b>94</b>
	<b>APPENDICES.....</b>	<b>95</b>

## INTRODUCTION

The main objective of this thesis is to apply theoretical knowledge of project management during festive season in Sheraton Grand hotel in Edinburgh and to propose particular Christmas dinner party plan. Hopefully this thesis would bring a positive effect on company management.

Project management as a discipline became recognized in the 1950s. Many tools and techniques were created to ease managing the project effectively, to ensure the success and measurements of projects. Nowadays, project management is taught at many universities all over the world and it is a respected profession with many associations that support project managers and issue various certificates; and with many software programmes that were created specially for this discipline.

Event management is a specific field of project management and it is applied mostly in hospitality, recreation and tourism industry. Sheraton Grand hotel is the biggest hotel in Edinburgh and they organise many events through the year there.

The first section of this thesis will describe theoretical knowledge of project management, specifics of event management and some necessary analyses to describe both external and internal environment of the hotel. In the end of this part I will compose theory outcomes to proceed with analyses section.

Analyses part will begin with Sheraton Grand hotel basic description altogether with brief history of Starwood hotels and resorts to introduce the background and surrounding. In this thesis I will also use several different analyses to describe the current situation of the hotel. There will be theoretical PEST, SWOT and Porter's five forces analyses and one analysis used in practice by hotel's parent company to evaluate hotels' performance. In the end of analyses part you will find outcomes on which basis I will establish objectives for project part of the work and will also review the hypotheses set at the beginning of this section.

The project will be described in chapter 9. It will be a Christmas dinner party proposal in chronological order; from the planning phase to organising an actual day of the event. I will also recommend some improvements at that point and create costs, contribution and risks analyses. For that part I will mainly use outcomes from unstructured interviews with hotel's employees on managerial positions whose experience and knowledge of the hotel's processes were really helpful.

In following chapter I will suggest some more ideas for Christmas parties' packages to attract different and more specific target audience.

In conclusion I will summarize project outcome and most significant observations.

## **I. THEORY**

## 1 PROJECT MANAGEMENT

One of many definitions of project management is the one by Project Management Institute, the professional association for project managers, “*Project management is the application of knowledge, skills, tools and techniques to project activities to meet project requirements*”. Project management is accomplished through the application and integration of the project management processes those being initiating, planning, realization, monitoring, controlling and closing described in chapter one. These activities require communication, information and commitment of the project team. Project management brings together and optimizes resources required for project success; these are skills, talents and cooperative efforts of team members; facilities, tools and equipment; information, systems, techniques; and money. [10,11,15]

All the people involved in project must participate on its planning; project managers themselves can't plan the whole project effectively and precisely. The project manager's role is to help the team members to complete project requirements and help meet deadlines. He or she provides the team with resources needed and protects the team from the negative external sources that could disrupt their work. The project manager must be a leader. Planning, scheduling and controlling are the administrative roles of the project management and without this leadership only the minimal requirements would be met.

The aim of the project management is to predict as many of the risks and problems as possible and to plan, organize and control activities in the way that assure project success despite all of the risks. [10,11,15]

Projects are not new, neither is project management. There are many monuments, artworks and ancient structures that had been created at the earliest civilizations and survived since. Before the 1900s projects were generally managed by the creative architects and engineers themselves. Projects were conducted mostly for the church and military. Between 1900 and 1950 there was an emergence of management science; Henry Gantt introduces his famous Gantt planning charts, and early development of critical path methods appears as well.

Over the past fifty years, a number of tools and techniques have been developed to deal with the challenges of managing the projects of a firm. In the 1950s organizations started to systematically apply project management tools and techniques to complex projects. As a discipline, project management developed from several fields of application including con-

struction, engineering, and defence activity. Mainframe computers have been able to run project management software since 1950 and project management became a recognized profession. In the 1970s there was even more project management software introduced, professional associations were created and project management had two branches, IT and industrial. Since then, technology has advanced; everyone is able to run all the project applications on PCs and notebooks, utilise the worldwide communication via the internet; managers are less dependent on IT experts and project management itself is a respected profession with flourishing associations. [10,11,15]

## 1.1 Projects

Every project has a certain characteristics that consist of these five project success factors:

1. Agreement among the project team, clients, and management on the goals of the project.
2. A plan that shows an overall path and responsibilities that will be used to measure progress during the project.
3. Constant, effective communication among shareholders and everyone else involved in the project.
4. Controlled scope. Everyone involved in project must understand exactly what can be accomplished within a given time frame and budget. There are methods for establishing realistic goals for cost, schedule, and quality, as well as techniques for keeping the goals consistent throughout the project.
5. Management support. Project managers rely on people in traditional management roles to supply people and equipment, make policy decisions, and remove organizational obstacles. [17]

## 1.2 Defining the project

Projects are unique, non-repetitive phases consisting of processes and activities, they have certain degree of risk, start and finish dates, and they have clearly specified cost and resources constraints. [5]

In most organisations there are set rules; e.g. clear structure of responsibilities, company's goals and authority or the way the employers communicate with each other. However these rules have to be set again each time a project begins. A stakeholder can be simply described as anybody involved in the project: customers, clients, contractors, end users, decision makers, vendors, and employees. But the following five roles could be called primary stakeholders: project manager, project team, functional management, sponsor, and customer. Everybody has a predetermined role in the project. The rules define the project and provide the foundation for the planning and control stage. [5]

### 1.2.1 Making the rules

Every project is different in its schedules, products, and people involved. That's why the project managers have to clarify the rules of the game and re-create the basic roles and processes of management every time a project begins. Then, when they are absolutely sure about it, they can communicate these rules to the players. They have to make sure that everyone involved understands the project and agrees on what success will look like. All the stakeholders must agree on the goals and guidelines of the project. There also must be general acceptance of the project rules before the project begins, ideally in written format, as these can influence the success factors. [17]

The ideal time to resolve different assumptions and expectations is during the initial period before the pressure grows. One of the factors of a successful project is that it meets stakeholder expectations. The project manager's job is to manage these expectations, and this job begins by writing them down and getting agreement with a contracting authority. Project rules document stakeholders' expectations and they establish a means by which the project may be changed in midstream, if necessary. This change management stipulates that the same stakeholders who agreed to the original rules must approve any change in the rules and the project manager will be well equipped to detail any effects that the changes might have on cost, quality, or schedule in an ongoing project. [17]

### 1.2.2 Project's documents

There are some methods to ensure that everyone understands, and agrees to, the project rules, e.g. the *project charter* (an announcement that the project exists), the *statement of work*, the *responsibility matrix*, and the *communication plan*, that are all developed concur-



rently and constitute the actual written documents containing the project rules. Templates of these can be seen in the appendix. [17]

**Project charter** contains the name and purpose of the project, the project manager's name, and a statement of support from the issuer. It is sent to everyone who may be associated with the project because its intent is to give notice of the new project and new project manager. This charter must be signed by a legitimate authority. It also helps when the sponsor and the customer sign it as well for the sake of project manager, who would benefit greatly by a show of confidence from the sponsor and the customer. [17]

**Statement of work** is a list of the goals, constraints, and success criteria for the project—the rules of the game. It is a subject to negotiation and modification by the various stakeholders who agreed to its content. A statement of work is used to manage expectations and establish agreements, but is not meant as a substitute for a contract. [17]

Many different topics may be included in a statement of work, but following contents must be included:

1. Purpose statement - attempts to answer the question of why is the project done.
2. Scope statement - describe the major activities of the project in such a way that it will be absolutely clear if extra work is added later on.
3. Deliverables - define what is the project suppose to produce.
4. Cost and schedule estimates - set realistic and accurate figures and dates.
5. Objectives - additional goals apart from time and budget deliverables.
6. Stakeholders - anyone who will influence the project; their role and contribution.
7. Chain of command – who reports to whom on the project; organization chart illustrates it the best. [17]

**Responsibility matrix** is a document that precisely details the responsibilities of each group involved in a project. It is ideal for showing cross-organizational interaction among many groups that otherwise might have nothing to do with each other. [17]

A responsibility matrix lays out the major activities in the project and the key stakeholder groups which can help avoid communication breakdowns between departments and organizations because everyone involved can clearly see who to contact for each activity.

**Communication plan** is the written strategy for getting the right information to the right people at the right time. The project manager must find a way to identify and communicate the key information quickly and effectively. Therefore he or she must set up an escalation procedure for communicating with higher management that will determine which level of management to contact, depending on the degree of variance from the plan. The project manager needs to decide how often to contact each stakeholder and with what information and make sure that regularly scheduled progress meetings that are written into the communication plan will be respected by everyone. [17]

### 1.2.3 Project Life Cycle

The project life cycle defines the phases that connect the beginning of a project to its end and various milestones within it. It represents the linear progression of a project, from defining the project through making a plan, executing the work, and closing out the project.

Every project life cycle has four basic phases: initiation phase, planning phase, execution phase and close-out phase. [13,17]

**Initiation phase** is the first phase in the project when the need, business problem or opportunity is identified and the idea of a project arises. A project and a project manager are named in a project charter and a feasibility study, which provides solution options, is conducted. That comprises of major deliverables and participating work groups; project plans including goals agreement, approach and cost-schedule-quality equilibrium; statement of work, work breakdown structure and communication plan and final recommended solution.

**Planning phase** describes project plan's details of how to execute the project. This planning includes project plan, resource plan, financial plan, quality plan, risk management plan, acceptance plan, communication plan and procurement plan. In this phase the project solutions are further developed. [6,8,17,18]

**Execution phase** is the stage of performing the actual work. It is the execution of each activity and task listed in the project plan. During this phase the project is continuously monitored and adjustments are made and recorded. This phase takes more than 90% of the project's effort. The execution phase is complete when the goal of the project is reached and the customer accepts the final solution.

**Close out** is the smallest phase in the project that can be defined as the post project reporting to management, customer, and team. During this phase we quantify the overall success and list any lessons learnt for the future projects. [6,8,17,18]

### 1.3 Planning

The main purpose of the planning part is to manage time, cost and resources adequately to estimate the work needed and to effectively manage all the risks.

#### 1.3.1 Risk management

Risk management is a systematic practise of identifying and reducing the threats that exist in the project. In more detail, it is a process of identifying possible risks, assessing their potential effect, developing and implementing the plans for minimizing those negative effects. A negative effect is a loss for the project, but at the other side there are also positive effects that produce benefits; these are usually referred to as opportunities. Risks are divided into the known and the unknown; either they can or cannot be identified. A risk is considered as work that has probability greater than zero but less than 100 percent of occurring. Risk is simply a possibility that you may not achieve your goals because something unexpected occurs or something planned previously does not occur. [6,9,17,18]

Risk management process is a specific set of activities project managers will consciously perform to identify and manage risks of the project. It is their primary task; to reduce the risk of being late, to reduce the chances of overrunning the budget and to ensure the quality of the end product etc. Risk planning can be accomplished by looking at expert opinion and observations of similar projects. The whole management must be fully aware of all areas of risk and have alternate plans ready for action if needed. There is basic four-step approach to manage risks: identification, quantification, analysis and response. [6,9,17,18]

The identification step identifies what threat exists; consider all the sources of risk, significant uncertainties, potential problems and risk events. A good way to do this is by team-building activities where everyone involved in the project will bring the documentation of the project and they discuss it from different points of view. The quantification step specifies how big threats could be; the analysis part considers the probability that a specific problem will occur and its' impact on the project. The response part determines the best approaches to dealing with the threats.

The level of risk basically depends on project's duration, length of the time between preparing the project and starting the work, experience of the project's team or company and newest of the project's technology. [6,9,17,18]

### 1.3.2 Work breakdown structure (WBS)

The work breakdown structure is perhaps the most foundational tool in the project planning process. The project manager needs to be able to break the project down - to understand the whole project by understanding its parts. It is a tool for breaking down a project into its component parts. WBS identifies all the activities in a project that can be set up in either graphic or outline form. This helps to provide a detailed illustration of project scope, to monitor progress, to create accurate cost and schedule estimates and to build project teams. There are two kinds of tasks in WBS: *summary tasks* that include several subordinate tasks and *work packages* that are actually executed. These work packages are the lowest level of management that project manager has to manage; below it other project team members may break down their parts of the project into additional levels. *"The primary purpose of the work breakdown structure is to divide the project into subprojects until a point is reached where the assignment of the individual pieces of work can be done."* [13] [13,17]

### 1.3.3 Scheduling

Estimate of the time required to complete each task and each phase determines whether the project can be completed on time. Realistic scheduling makes a project successful. It includes a detailed knowledge of the work to be done, tasks sequences in the correct order, accounts for external constraints beyond the control of the team, and can be accomplished on time, given the availability of skilled people and enough equipment. The relationship between the activities determines the sequence in which detailed tasks are performed. There is sequence constraints in every project; meaning certain tasks that must be performed before others. There are two different ways to display task relationship: predecessor table and network diagram.

There are many scheduling techniques that can help anticipate and solve problems: e.g. Gantt chart, milestone charts, line of balance, networks such as Program Evaluation and Review Technique (PERT), Arrow Diagram Method (ADM, sometimes called Critical

Path Method), Precedence Diagram Method (PDM), or Graphical Evaluation and Review Technique (GERT). [16,17]

**Gantt chart** is also called timeline chart. It was developed and used by industrial engineer and management expert Henry Gantt. It is a visual display chart that can be constructed using boxes, lines, or symbols. Project phases are listed from top to bottom, completion schedule and actual durations is shown from left to right. This chart is used for planning, controlling, and operating the project by project manager and team members. [16]

**PERT** is an acronym for Program Evaluation and Review Technique. It was developed to assist in analyzing projects where there was uncertainty in the duration of the tasks. Project managers can identify a task or set of the tasks that represent a defined sequence crucial to project success. PERT is a precedence diagramming method which uses three estimates to complete a task: most likely (M), most pessimistic (P), and most optimistic (O). The formula often used is as follows:  $(O + 4M + P) / 6 =$  risk-adjusted duration of the task. [13]

Another project management technique whose fundamental approach is close to PERT is called Critical Path Method. [6,8,13]

**Critical Path Method (CPM)** acts on the principle of reverse resource allocation scheduling; the end date of the project minus the time needed for the resource determines the start date for using that resource. Critical path in the project is the one that takes the longest to complete and determines the delivery date of the final deliverable. Critical path never has any slack time therefore the project cannot be done more quickly unless you somehow shorten the critical path. [12,13]

#### 1.3.4 Budgeting

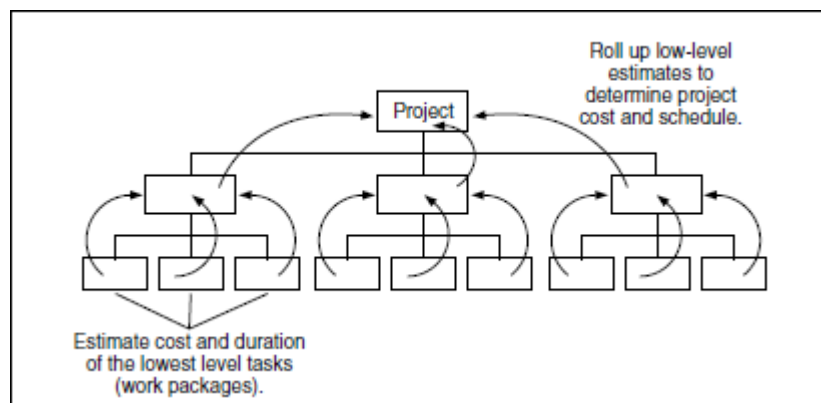
Estimating is basically forecasting the future, predicting time and money needed to produce a result. This is a very uncertain business therefore estimates often turn out to be wrong. But stakeholders expect the product on time within the promised budget. That's why we have to focus on estimating accurately. [17]

**Phased estimating** requires cost and schedule commitments for only one phase of the project at a time. It is impractical to demand a complete estimate at the beginning of the product life cycle. There are several decision points in each development phase called phase gates for evaluating whether the development should continue.

**Apportioning** is also known as top-down estimating. There is total project estimate that represent 100%, then percentage of this total is assigned to each of the phases and tasks of the project. The work breakdown structure provides great framework for this. [17]

**Parametric estimates** seek a basic unit of work to act as a multiplier to size the entire project.

**Bottom-up estimating** is the most accurate one but it also requires the most effort. All the detailed tasks (work packages) are estimated and then combined as shown at following picture. [17]



*Figure 1 Bottom-up estimating [17]*

Work breakdown structure again provides the framework for this type of estimating. However the accuracy of the entire model is dependent on the accuracy of the work package estimates. Bottom-up estimating works only to build the detailed phase estimates because there isn't enough information to develop a detailed bottom-up estimate for the entire life cycle.

When estimating the budget following costs have to be considered: internal labour cost, internal equipment cost, external labour and equipment cost, and material cost. [17]

### 1.3.5 Quality

Quality management of projects is based on eight quality management principles: customer focus, leadership, involvement of people, process approach, system approach to management, continual improvement, factual approach to decision making, and mutually beneficial supplier relationship.

The quality is ensured by effective planning, implementation and control of the project that are defined in project documentation. There should be always a quality plan that identifies activities and resources necessary for achieving the quality objectives of the project. It should be incorporated into, or referenced in, the project management plan. [5]

Success of the project quality management is defined in three main pillars: quality planning, performing quality assurance, and performing quality control. [1]

Managing the quality of the project allows meeting the expectations of the project's stakeholders. The quality planning is the process that determines which quality standards should be used to accomplish the goal. The purpose of the quality assurance function is to provide the confidence that the project will have the proper controls to be able to meet the standards that are expected by the stakeholders. And finally the quality control function is used to measure the specific items that must be monitored to determine that the project will meet the stakeholders' expectations. [13]

There are several quality control techniques: sampling inspections as Acceptable Quality Level (AQL) or Buyer's Risk and Seller's Risk; or other techniques such as Flowcharts and Diagrams, Cause and Effect Diagrams, Pareto Charts, Control Charts, Checklists, Kaizen, or Benchmarking. [13]

## **1.4 Controlling**

In previous chapters we were planning the project and trying to prevent possible problems. In this chapter we have to keep the project on track by careful controlling. We'll talk about building a strong, committed team; discovering and solving problems while they are still small, measuring progress, and ensuring continued agreement on goals and expectations. All these control activities need a good communication among all stakeholders. [17]

### **1.4.1 Team**

Team is defined as a group of people working interdependently, usually brought together specifically for the purpose of the project. Project team members can be drawn from all available sources, both internal and external. Therefore project management have to consider following characteristics when putting the team together to ensure cohesive project team will arise: availability, ability, experience, interests, and cost. [1,3,15,17]

Effective teamwork include assisting one another when workloads are unbalanced, communicating in ways that fit individual preferences, and sharing information and resources. Project manager must continually develop the team and its members and regularly review team members' performance during the project; that means tracking team member performance, providing feedback, resolving issues, and coordinating changes to enhance project performance. Therefore the management plan is updated, change requests are submitted, issues are resolved, input is given to organizational performance appraisals, and lessons learned are added to the organization's database.

Every team operates more efficiently, since responsibilities and reporting relationships are clearly defined. That's why there are several approaches for organizing and managing projects. [1,3,15,17]

### **Matrix structure**

Projects involve and affect many functional areas within an organization therefore personnel in these different units must work together to successfully address people's individual and collective needs. The matrix structure facilitates the participation of these people in projects that need their expertise. [15]

Project managers guide the performance of project activities while people's direct supervisors perform administrative tasks.

Advantages of this structure type are that teams can assemble rapidly and scarce expertise can be available for several different projects when there are part time people with highly specialized knowledge or skills. Disadvantages are that team members who are working on multiple projects respond to two or more managers; they may not be familiar with each other's styles and knowledge; and they may focus more on their individual assignments than on the project and its goals. [15]



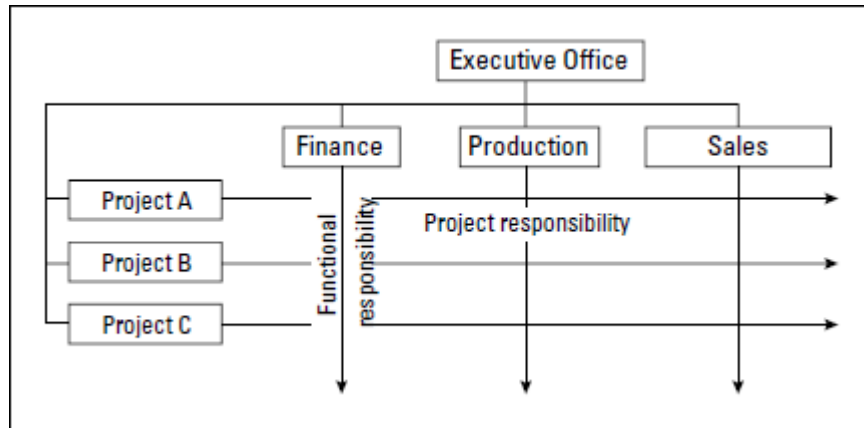


Figure 2 Matrix structure [15]

Although organizations use the matrix structure extensively today, there are two additional organizational structures that are used occasionally; centralized and functional structure.

**Centralized structure** is also called the traditional structure because the specialty units (such as human resources, training, and information systems) are established parts of the organization and perform all projects in their specialty areas.

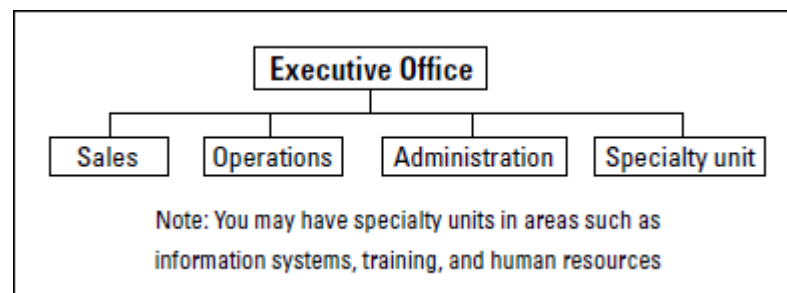


Figure 3 Centralized structure [15]

**Functional structure** has multiple units that provide the same specialized support to the organization's different functional groups as specialty units in centralized structure. Each specialty unit only performs projects for its functional group. [15]

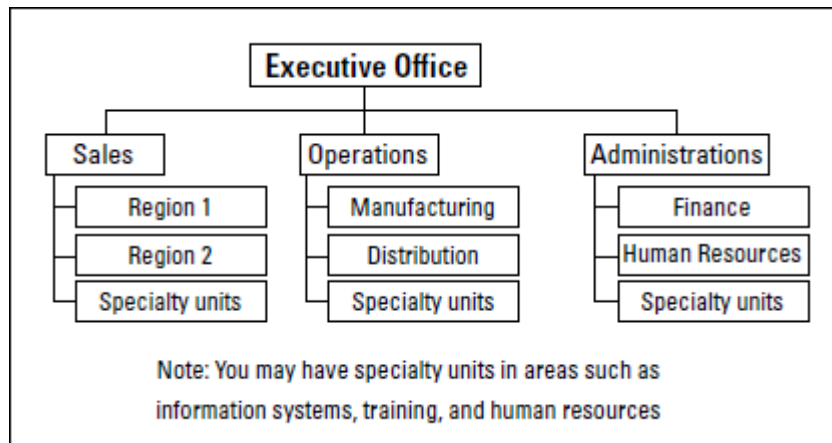


Figure 4 Functional structure [15]

### 1.4.2 Communication

Effective communication leads to successful project – it means sharing the right messages with the right people at the right time. Communication has many forms – oral, written, graphic or text, static or dynamic, formal or informal, volunteered or requested – and may use a variety of media such as paper or electronic means. Communication can take place in conversations, meetings, workshops and conferences, or by exchanging reports or meeting minutes. [3,6,15,17]

There are some general guidelines for effective communication. First of all the function of the communication must be considered; e.g. to provide information, offer an opinion, gain support, or drive a decision. It is important to get to the point and also avoid any distractions. Even though somebody may not realize it the grammaticalness affects the reader a lot. Attention must be paid to spelling, grammar, sentence structure, and composition when communicating – particularly in written communication.

We often think of communication as being immediate and short-lived. However, we have to consider long-term effects, such as a note gets forwarded to the wrong person or someone is not included in a critical communication. Final recommendation is to follow up on the communications; make sure that everyone received the message, understood it and have no questions. [3,6,15,17]

Communication in project management is divided primarily into two levels: communication within the project team and with the management and customers. There is everyday communication, meetings, presentations, official documentation and reports. Therefore

there must be a clear communication plan developed and respected among all shareholders. Another very important concern is security and confidentiality. Especially since the communication is tied to documentation that includes all the data, information, knowledge and wisdom accrued during the project life cycle. [3,6,15,17]

### **1.4.3 Changes to the project and measuring progress**

Decisions are made through the whole project, with the hardest ones during latter phases, when the time is less and the impact more accurate. Then the key to handling changes is to not resist them but to manage them. The changes can be both internal and external and can be classified as major, minor or corrective. Major changes dramatically affect schedule, cost, or quality; minor ones include small changes in specifications or requirements; and corrective change is nice to have but unnecessary. [8,17]

It is very important to track progress during the whole project because by the end of the project you have almost no ability to change your cost and schedule performance. The best way to track the progress is to break down the project into work packages; these are simple measurable units of progress – each has start and finish dates. The smaller the work packages, the more accurate your schedule progress will be.

When dealing with changes it is important to categorize and prioritize changes, analyze the impact of such changes on cost-schedule-quality equilibrium, approve or disapprove the changes, and assign responsibilities for executing these changes. Corrective action may occur thorough the project life cycle and it is necessary to approach identifying and solving problems systematically. [8,17]

### **1.4.4 Close out**

This activity is usually the most neglected part of the project management which is unfortunate because close out activities can bring a very high return to the project manager's firm. The deliverables from project closeout serve two purposes:

1. They finalize the project in the eyes of the stakeholders - formal acceptance of the product, the reconciling of project accounts, closing out the change logs and issues logs

2. They present a learning opportunity for either process improvement or, personal improvement - producing a lessons-learned report and organizing the project documentation. [8]

Performing project closure includes several steps:

- Assessing whether the project completion criteria have been met
- Identifying any outstanding items
- Producing a hand-over plan to transfer the deliverables to the customer environment
- Listing the activities required to hand over documentation
- Cancel suppliers contracts and release project resources to the business
- Communicating closure to all stakeholders and interested parties
- Submit the project closure report to the customer and project sponsors [8]

## 2 EVENT MANAGEMENT SPECIFICS

Event management is the application of the project management to the creation and development of festivals, events and conferences. It involves studying the intricacies of the brand, identifying the target audience, devising the event concept, planning the logistics and coordinating the technical aspects before actually executing the modalities of the proposed event. Post-event analysis and ensuring a return on investment have become significant drivers for the event industry. [4]

Event management is considered one of the strategic marketing and communication tools by companies of all sizes. From product launches to press conferences, companies create promotional events to help them communicate with clients and potential clients. They might target their audience by using the news media, hoping to generate media coverage which will reach thousands or millions of people. They can also invite their audience to their events and reach them at the actual event.

Event management companies and organizations service a variety of areas including corporate events (product launches, press conferences, corporate meetings and conferences), marketing programs (road shows, grand opening events), and special corporate hospitality events like concerts, award ceremonies, film premieres, launch/release parties, fashion shows, commercial events, private (personal) events such as weddings and bar mitzvahs.

Every industry, charity, society and group will hold events of some type/size in order to market themselves, build business relationships, raise money or celebrate. [4]

### 2.1 Event objective

The event objective is a statement that encapsulates the reason for running the event. It should be simple and easy to understand. It could be charity fundraiser, sports event championship, business promotion, political or seasonal event or as simple as family fun day. Still this objective must be defined from the beginning so that every future decision will support and promote it. [4]

### 2.2 Planning the event

The event manager must ensure to adopt a structured and logical method of planning and managing for every aspect of the event arrangements, in order to deliver a successful event.

Event management planning in principle follows the project management planning. First of all the event has to be defined; meaning its products, stages and tasks clearly specified and compartmentalized. There is event documentation that specifies user requirements, component tasks, product flow order, and budget-time-quality planning. But there are also specific fields in event management that must consider managing this type of project. [4]

### **2.2.1 Health and safety**

According to the health and safety act 1974 UK citizen has an obligation to consider and protect the health, safety and welfare of other citizens. Therefore the objective of an event has to be compliance with the law. It should be supported and promoted throughout the investigations, planning and management of an event to protect staff, visitors, suppliers, and everyone else involved from coming to harm. [4]

Especially large events can often experience crowd-related problems that require good teamwork, good communications and close co-ordination between management, staff and potentially the emergency services. There must be a clear definition of roles and responsibilities, appropriately trained staff and formal review and consideration of potential hazards called risk assessment. [4]

### **2.2.2 Defining the audience and its size**

The easiest is to define the target audience of the annual events that is based on last year's attendance. However many events are not run periodically and event manager have to define and profile the target audience on the basis of the event type, proposed attractions and event objective.

Many of the event arrangements depend on the size of the audience and the event manager must get the estimated target audience right, to make the event a success. There are several matters to be considered when estimating: previous years' attendance, similar event attendance, club/team entries, registrations, fixed capacity, time/venue limits, restricted and prescribed attendance, effect of current circumstances, the economy, the weather, transport problems, season/fashion, etc. [4]

### **2.2.3 Advertising**

Advertising depends on the type and size of the event and may not be strictly necessary even though it is always beneficial. Private events organized for example in a small club

can be announced in the club meeting; large events, particularly those trying to attract members of the general public, must be advertised, especially if the event is being run for the first time. There are many means that can be used, such as newspapers and magazines, radio, club or society members, leaflets, public transport advertising, internet, etc. [4]

#### **2.2.4 Event attractions**

Selecting the right attraction is one of the key moments. The event manager must bear in mind the audience profile, costs, safety, potential income and popularity. The simple list of what the public can want to do at an event is to eat and drink, to buy, to see, to listen, to learn, to try, to join, to compete, or simply be out together as a family, a couple or a group of friends. It is also important to realize that some of the audience will not be particularly interested in the main theme of the event, e.g. friend, children, wife or husband and the enthusiast can be dragged away by them. That is why there should be other entertainment provided, so those not so much interested in main event can spend their money on, and it also increases the likelihood that they will feel able to attend without alienating their partner or children. [4]

Another important feature is sponsorship that can significantly benefit the balance sheet for the event and can attract public's attention. [4]

#### **2.2.5 Accommodation and services**

Every event require some accommodation and services such as event manager's office, cash office, electricity, water, telephones, stalls, or toilets. In case of hiring these, the event manager should make sure that the suppliers have safety policy, risk assessment and public liability insurance and certification to prove that they have it. [4]

Event manager's office is recognized control point; it does not have to be central to the site but a window looking out over the event ground is definitely advantage. It should have power, heating or air conditioning, toilet, refreshment facilities and water supply, some furniture, office staff and telephone; the same basically applies for cash office where the cash is held, distributed and collected. The security is very important here and the location should be close to the manager's office yet convenient for cash to be brought there from the gate and car parks without undue risk. [4]

In hotel management unless it is an outdoor event these problems do not exist.

### **2.2.6 Site**

The event site is of utmost importance. There are specific considerations and requirements to the site such as site safety, suitability and convenience, site location and size, usable area of the site, car parking space, emergency access, availability of services and transport links, etc. The event manager have to think this all over to realize the impact the site may have on other decisions and arrangements and event organization and realization. [4]

Once again within the hotel industry this only applies to outdoor events.

### **2.2.7 Traffic management**

Traffic management and car parking is another key aspect in large outdoor event management – if this goes well, the event will go well. The event manager must estimate, plan and manage the traffic safely, within some time, and to the visitor's satisfaction. There also have to be emergency access route, car park location signs,, exit routes, vehicle passes and permits, and the most important the traffic plan. Car parking availability is one of the key factors when choosing the right event to visit or hotel to stay in. [4]

### **2.2.8 Miscellaneous areas of consideration**

No matter what the format, audience size or site location consideration should be given to arranging first aid cover at any event. There should be qualified staff present and risk assessment ready in case something goes wrong. This assessment considers every aspect of the event, including the number of people present, the activities undertaken, specific high-risk activities and situations. Emergency and normal procedures must be created and all staff must be familiar with them in order to manage unwanted situation effectively. This brings us to the insurance; the event manager should ensure that all staff, exhibitors and the event as a whole are covered by insurance. Another very important area is security; security presence can be either police or private – this always depends on specific requirements of particular event, scope, size and location. [4]

### **2.2.9 Money and accounts**

For vast majority of events one of the most objectives is to generate a profit. Making a profit will require the event manager to handle quantities of money, either cash or credit/debit cards payments and to track income and expenditure to make sure they don't



loose money on the event. It is therefore necessary that the event manager should keep detailed accounts of income and expenditure. [4]

The event manager should also keep in mind that there might be need of cash float for various purposes and he or she is responsible to deliver the right amount and change.

#### **2.2.10 Setting up and site maintenance**

There are always several steps to be completed on the site before the actual event that are divided into following phases: early site survey, site preparation few days prior to the event, and starting day set up. The project manager must plan each of these phases thoroughly, divide responsibilities between supervisors and tour the site for a final inspection, risk assessment and review with them. [4]

Site maintenance is performed by those people who were responsible for setting everything up; this ensures that they are able to identify problems much easier than others and they know how everything should be installed and working. General sorts of tasks that will need maintenance are toilets, tents, litter bins, skips, site surfaces, signs and fences. [4]

### **2.3 Final debrief and report**

After the event is finished debrief session take place to draw on others' experience and suggestions. All relevant information should be collected and collated for the final report from duty managers, section leaders and supervisors. Every one of them should record their team members' comments, thoughts and suggestions and pass it to the event manager.

Final report is a compilation of important elements of investigating, planning, scheduling, managing, training, debriefing, listening and delivering of the event. It contains an overall review of the success, any problems encountered and the actions or measures that have been implemented to avoid or resolve those problems, list of all professional services engaged, suppliers and equipment, with a note of their cost and efficiency. The final report is more than a meaningless list of names and contacts – it encapsulates how the event was delivered and any lessons learned. [4]

### 3 ANALYSES

There are several analyses in project management that can be used to characterise the current situation of the company.

#### 3.1 PEST analysis

The PEST analysis is a useful tool for understanding market growth or decline, and as such the position, potential and direction for a business. It measures a business's market and potential according to external factors; Political, Economic, Social and Technological. These factors are used to evaluate the market for a business or organizational unit. The PEST analysis headings are a framework for reviewing a situation, and can also, like SWOT analysis, and Porter's Five Forces model, be used to review a strategy or position, direction of a company, a marketing proposition, or idea. [14]

It is often helpful to complete a PEST analysis prior to a SWOT analysis.

#### 3.2 Porter's five forces analysis

Porter's five forces analysis is a wide utilized framework for classification and analysis of factors that influence the branch. It derives 5 forces that determine the competitive intensity and therefore attractiveness of a market. The stronger factor the bigger each of those five forces. These five forces are represented by:

##### 1. Threat of new entrants

Barriers to entry are product differentiation, economies of scale, capital requirements, switching costs to buyers, access to distribution channels, other cost advantages, government policies, and brand identity. [22]

##### 2. Bargaining power of suppliers

Topics discussed are supplier concentration, availability of substitute inputs, importance of suppliers' input to buyers, suppliers' product differentiation, importance of industry to suppliers, buyers' switching costs to other input, suppliers' threat of forward integration, and buyers' threat of backward integration. [22]

### 3. Bargaining power of customers

Important features are number of buyers relative to sellers, product differentiation, switching costs to use other product, buyers' profit margins, buyers' use of multiple sources, buyers' threat of backward integration, sellers' threat of forward integration, importance of product to the buyer, buyers' volume, buyers' information, and substitutes available. [22]

### 4. Threat of substitute products

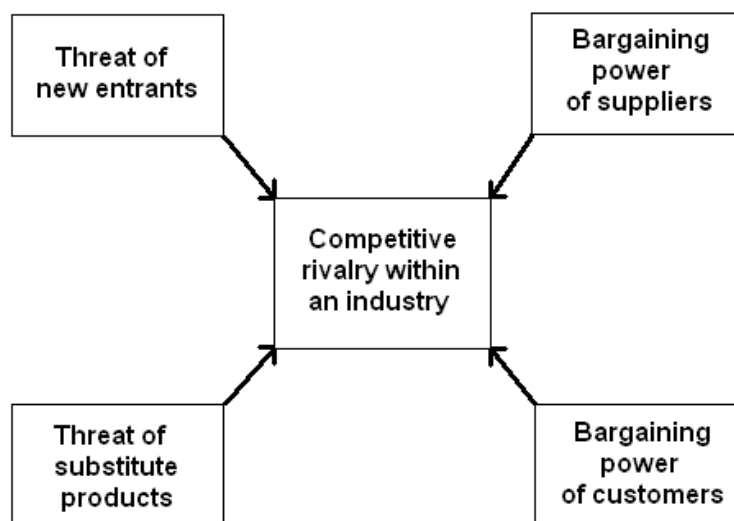
This includes relative price of substitute, relative quality of substitute, and switching costs to buyers.

### 5. Competitive rivalry within an industry

This force comprise of number of competitors, relative size of competitors, industry growth rate, industry concentration, fixed costs vs. variable costs, product differentiation, buyers' switching costs, diversity of competitors, exit barriers, and strategic stakes. [22]

Porter's Five Forces model provides suggested points under each main heading, by which you can develop a broad and sophisticated analysis of competitive position, as might be used when creating strategy, plans, or making investment decisions about a business or organization.

Porter's Five Forces model can be used as a good analytical effect alongside with other models such as the SWOT and PEST analysis tools.



*Figure 5 Porter's five forces analysis scheme*

*[Own graphic composition]*

### 3.3 SWOT analysis

A useful aid for identifying relevant screening criteria is S.W.O.T. analysis which identifies and lists the company's strengths and weaknesses alongside its opportunities and threats. The name S.W.O.T. is an acronym for the words strengths, weaknesses, opportunities and threats. A good SWOT analysis helps the manager focus on a strategy that takes advantage of the company's opportunities and strengths, while avoiding its weaknesses and threats to its success. [14]

The aim of SWOT analysis is to identify the key internal (the strengths and weaknesses internal to the organization) and external factors (the opportunities and threats presented by the external environment to the organization) that are important to achieving the objective.

The internal factors may include all of the 4P's; as well as personnel, finance, manufacturing capabilities, and so on. The external factors may include macroeconomic and political matters, technological change, legislation, and socio-cultural changes, as well as changes in the marketplace or competitive position. [14]

Use of SWOT analysis is for business planning, strategic planning, competitor evaluation, marketing, business and product development and research reports.

The four dimensions are a useful extension of a basic two heading list of pro's and con's. The results are often presented in the form of a matrix. [14]

	POSITIVE/ HELPFUL to achieving the goal	NEGATIVE/ HARMFUL to achieving the goal
INTERNAL Origin facts/ factors of the organization	<p><b>Strengths</b> Things that are good now, maintain them, build on them and use as leverage</p>	<p><b>Weaknesses</b> Things that are bad now, remedy, change or stop them.</p>
EXTERNAL Origin facts/ factors of the environment in which the organization operates	<p><b>Opportunities</b> Things that are good for the future, prioritize them, capture them, build on them and optimize</p>	<p><b>Threats</b> Things that are bad for the future, put in plans to manage them or counter them</p>

Figure 6 SWOT analysis [24]

## **4 HOTEL'S OWN ANALYSES**

There are specific analyses that are used by every company. In case of Sheraton hotel's event department these are guest satisfaction index reports and post event follow up questionnaires.

### **4.1 Guest Satisfaction Index (GSI)**

Guest satisfaction index report is conducted every month to evaluate customer satisfaction with services provided in the hotel. Every guest who provides an email address receives this questionnaire to fill it out. Afterwards it is sent to Starwood who evaluate it and send the results back to Sheraton Hotel. It is evaluated monthly with 6 weeks delay.

There are many categories in following areas: physical (cleanliness and maintenance), service, arrival (check-in and check-out), food and beverage and guest loyalty, plus overall satisfaction. This index is compared with last year results and confronted with the estimates and hotel's standards.

### **4.2 Post Event Follow Up questionnaire**

Post event follow up questionnaire is filled out only by the events department's customers after the event has taken place. They evaluate the service of this department as well as the hotel itself; it includes evaluation of the hotel's staff and quality of their service, meeting rooms and its equipment, accommodation and food and beverage, and the overall comments.

It is sent to every customer to get a feedback on their services. On the grounds of this feedback they improve their imperfections and thereafter the customer service.

### **4.3 Unstructured interview**

An interview is a conversation between two or more people where questions are asked by the interviewer to obtain information from the interviewee. Unstructured interview is a method of interview where questions can be changed or adapted to meet the respondent's intelligence, understanding or belief. Unlike a structured interview they do not offer a limited, pre-set range of answers for a respondent to choose, but instead advocate listening to how each individual person responds to the question.

## 5 THEORY OUTCOMES

In project management there is schedule-cost-quality equilibrium that must be adhered all the time. At the beginning of the project there must be a specific, accurate, numerate definition that must be recorded, accepted and signed by all the authorities – customer, company top manager and project manager. During the project the progress must be monitored and controlled at all time. All the changes must be recorded, discussed and approved in order to ensure the project success and project flow must be adjusted to the current situation. Final part must not be underestimated. Close out must be done properly in order to ensure that the customer's needs were satisfied and to gain experience for the future project thanks to lessons learned in the course of current project.

Event management is a specific branch of the project management that was considered as a rapidly growing industry over past years. It concentrates on promotional events, conferences, product launches, etc.; can be organised either outside or inside. Event management has the same fundamentals and procedures as project management, with its specific factors. Event manager must have good eye for the detail as there are no exact rules to be followed that ensure the success itself. Human factor is very important here as experience is very valuable aspect of event organising.

PEST analysis is put to use in this thesis; it focuses on company's macro-environment – political, economical, social and technological to be specific. Another analysis focuses on industry environment; Porter's five forces analysis presumes that company is mostly influenced by its competitors, suppliers and customers.

SWOT analysis describes internal (strengths and weaknesses) and external (opportunities and threats) factors of the environment in which company operates.

Unstructured interviews with hotel's employees on managerial positions help to understand the specific environment and processes of the hotel and produce valuable comments and facts.

## **II. ANALYSIS**

## 6 ABOUT SHERATON GRAND HOTEL

This chapter describes basic information about the Sheraton Grand Hotel & Spa in Edinburgh.

### 6.1 Sheraton as a part of Starwood Hotels

Sheraton Grand Hotel & Spa Edinburgh is part of Starwood® Hotels & Resorts Worldwide, Inc. which is one of the world's largest hotel and leisure companies. They conduct their hotel and leisure business both directly and through their subsidiaries. Their brand names include following: St. Regis, The Luxury Collection, W, Westin, Le Méridien, Sheraton, Four Points, AloftSM and ElementSM. [26]

#### 6.1.1 History

The origins of Sheraton date back to 1937 when the company's founders, Ernest Henderson and Robert Moore, acquired their first hotel in Springfield, Massachusetts. Within two years, they purchased three hotels in Boston and soon expanded their holdings to include properties from Maine to Florida. In 1947 Sheraton Corporation of America becomes the first hotel chain to be listed on the New York Stock Exchange. With the purchase of two Canadian hotel chains in 1949 Sheraton expands internationally and grows rapidly around the world. [26]

The first Sheraton in the Middle East debuts with the opening of the Tel Aviv Sheraton in Israel in 1961. In 1963 the Macuto Sheraton Hotel opens in Venezuela, becoming the first Sheraton hotel in Latin America. In 1965 Sheraton opens the doors to its 100<sup>th</sup> hotel - The Sheraton Boston. In 1985 Sheraton achieves an important milestone becoming the first international hotel chain to operate a hotel in the People's Republic of China.

In 1998 Starwood® Hotels & Resorts Worldwide, Inc. acquires Sheraton.

In 2008 Sheraton boasts a portfolio of more than 400 hotels in 70 countries, including a stellar portfolio of more than 60 resorts in stunning destinations worldwide. [26]

Sheraton® (luxury and upscale full-service hotels, resorts and residences) is their largest brand serving the needs of luxury and upscale business and leisure travellers worldwide. They offer the entire spectrum of comfort. From full-service hotels in major cities to luxurious resorts by the water, Sheraton can be found in the most sought-after cities and resort destinations around the world. Currently there are 619 Sheraton hotels all over the world. [26]



## 6.2 Sheraton Grand Hotel & Spa Edinburgh



*Figure 7 Sheraton Grand Hotel [25]*

Situated in the heart of Scotland's dynamic capital city, the Sheraton Edinburgh Hotel is one of the city's leading meeting destinations. Hotel's meeting rooms and private dining suites are awash with natural daylight, brimming with technology and have the capability of hosting a diverse range of events.

Sheraton Grand Hotel & Spa in Edinburgh was built 25 years ago. It was originally a conference hotel. With its 260 bedrooms this hotel is the biggest in Edinburgh. [25]

From beautiful boardrooms to the impressive Edinburgh Suite, the city's biggest hotel venue, this hotel has a room for every event. There are 11 meeting rooms with meeting space of 1102.3 m<sup>2</sup> and maximum capacity of 500 guests.

**The Edinburgh Suite**, with capacity of 500 people, is the largest hotel function room in Edinburgh and is an extremely versatile space. With no obstructing pillars, a partition which can divide the suite into two distinct rooms, movable staging, natural day light, blackout facilities, air conditioning and contemporary decor, the suite is ideal for conferences, gala dinners, exhibitions and even car launches. The Edinburgh Suite features adjustable lighting and two recessed screens at either side of the room.

**The Melville Suite** is an ideal addition to the Edinburgh Suite and may be hired for a breakout session, office, additional exhibition space or bar with maximum capacity of 90 people. [25]

**The Mackintosh Room** and **The Stevenson Room** are fixed boardrooms ideal for company meetings or smaller groups. These rooms feature a cherry wood table with reclining leather chairs and plenty of natural daylight, both with a capacity of 14 people.

**Glenkinchie Room** is a multifunctional room ideal for any meeting set-up. The space benefits from natural daylight as well as a 60" plasma screen which connects directly to a laptop. Maximum capacity is 45 people. Some features have castle facing **Talisker Room** or **Dalwhinnie Room** both with the capacity of 40 people. [25]

There's plenty of choice on the menu for every group to dine privately at the Sheraton Edinburgh Hotel. All of the restaurants and venues can be booked for exclusive use, with menus to suit every event. **The Grill Room** offers the very best of Scottish cuisine for a maximum of 70 guests in intimate surroundings.

The castle facing **Lochnagar Room** is ideal for private dining events located right next to the Terrace restaurant. The room benefits from plenty of natural daylight and air-conditioning. [25]

The highly flexible **Wallace Suite**, with capacity of 90 people, is ideal for almost every event and lay-out. The room is awash with natural daylight and features individually controlled air-conditioning.

The highly flexible **MacGregor Suite** is ideal for almost every event. The room features its own individually controlled air-conditioning and has capacity of 70 people. It is ideal for use as a refreshment area for the Wallace Suite or as a breakout room. [25]

There is different set up available in most of the rooms: banquet, boardroom, cabaret, classroom, theatre, or u-shape style.

### 6.2.1 Dining

There are two magnificent restaurants in the hotel as well as elegant, spacious surroundings of The Exchange Bar and The Crush Bar, or the informal atmosphere of the One Spa Café.

#### **The Terrace restaurant**

It can accommodate about 120 guests. There is international cuisine with their famous carvery, cold cut buffet, and a sizzling stir fry selection. With views of Edinburgh Castle from picture windows, the Terrace is a wonderful, light-filled space.

### The Santini restaurant

This Italian restaurant is an altogether contemporary take on the best Italian cooking. Bursting with authentic flavours, the menu takes inspiration from across the regions offering stunningly simple pasta to the freshest pesce e carne. [25]

### 6.2.2 The One Spa



*Figure 8 The One Spa [21]*

One Spa is a natural balance of energy, water and heat in a light-filled space. A shimmering rooftop Hydropool and beautiful infinity swimming pool go hand-in-hand with a rejuvenating Thermal Suite and soothing spa treatment programme, while the advanced gym and studio tones and balances the body's core. All hotel guests are welcome to use their 19m infinity swimming pool, Cleopatra Baths and Gym free of charge. The hotel's pools and thermal suites, spa treatments and gym and studios are available for walk-in guests as well. [21]

### 6.2.3 Departments participating in events organising

Total number of events department's employees is six; there is events manager and two events executives included. Event manager is reporting to the sales manager.

There is very close cooperation between events department, food & beverage department, banqueting department and kitchen when organising the event in the hotel.

Food and beverage department is led by F&B manager, than there are restaurant managers for each restaurant, bar manager, banqueting manager and executive chef.

Banqueting department is represented by banqueting manager, banqueting assistant manager, two headwaiters and about sixty waiters who are employed on the casual basis (this

differs according to the season and demand); additional waiting staff is hired by agencies if needed.

Hotel's whole organisational structure is attached in appendix.

#### **6.2.4 Main competitors**

All major hotels in Edinburgh are close to luxury department stores and Edinburgh's historic Old Town and overlooks Edinburgh Castle. There are around 200 rooms in every one of them and several suites or event rooms that accommodate between 240 and 450 guests.

##### **Balmoral Hotel Edinburgh**

Located in the very heart of Edinburgh at No 1 Princes Street, the city's main shopping area, this hotel is a unique and contemporary luxury five-star property. The Balmoral Hotel offers 20 opulent suites and 168 stylish rooms of different style, 10 conference and banqueting suites, including the signature Sir Walter Scott Suite, which can accommodate a wide range of events including: business conferences, intimate dinner parties, large receptions and weddings. This hotel can host events for up to 450 people.

Main advantages are location (right next to the train station), iconic building (pictured on majority of postcards), Michelin-starred restaurant, fifteen smoking rooms of every category and flexibility on rates. Main disadvantages are pillars in the middle of the Sir Walter Scott Suite and external parking. [27]

##### **Caledonian Hilton Edinburgh Hotel**

On the other side of the Princess Street the Caledonian Hilton Edinburgh hotel is a stone's throw away from Edinburgh Castle and a short walk from the Convention Centre (EICC). There are 8 flexible meeting rooms, all with wireless internet access, for up to 300 delegates at this hotel. The largest meeting room is Castle Suite which measures 220.0 m<sup>2</sup> and has capacity for 300 people. There are 254 rooms of different type to choose from: guest rooms, deluxe rooms and suites. Smoking rooms are also available. Pets are allowed.

Main advantages are unique style building, quality of food, and flexibility on menus and prices. Main disadvantages are smaller ball room, smaller spa, lack of rooms' consistency, and first floor meeting rooms have bad view of the castle. [20]

**Radisson Blu Hotel, Edinburgh**

Located in the heart of the city centre on the historic Royal Mile this four-star hotel offers 238 spacious guest rooms including business class rooms and suites. With eight conference and banqueting rooms, the hotel can accommodate a meeting for two or a large event for 200 delegates. There are many additional facilities provided such as 131 covered car parking spaces, dry cleaning and laundry service available and babysitting services available on request. [23]

In conjunction with Scottish law, the Radisson Blu Hotel Edinburgh operates a strict no smoking policy throughout the premises. External smoking areas are provided though. [23]

Main advantages are location (rooms overlooking Firth of Forth, Arthur's Seat or Royal Mile), same shape and size of the rooms, and own parking.

**The George Hotel**

This hotel is situated in the heart of the city again, taking prime position on the elegant George Street. It is equipped with business facilities such as 8 conference and event suites, including the magnificent Kings Hall with a capacity of 270 people. There are also 249 spacious and beautifully decorated rooms, which have undergone a multi-million pound refurbishment. Among others there are iron and ironing board or tea and coffee making facilities in every room. [19]

## 7 ANALYSES FORMULATION

**Aim** of the analytical part is to monitor the current situation in the Sheraton Grand hotel in approximately last 15 months.

### **Hypothesis**

1. Customers' satisfaction is declining more and more during the last year because of bad condition of rooms.
2. Food and beverage standards are not influenced by general hotel's performance.
3. The fact that Sheraton Grand is the biggest hotel in Edinburgh guarantees very firm position on the market.
4. Credit crunch influenced badly hotel events business same as any other business in general.

### **Respondents**

There are two main categories:

- Hotel's employees at managerial positions who have valuable experience – I conducted several unstructured interviews with them to compose qualitative analysis.
- Hotel guests who receive a questionnaire by email after their visit and are asked to fill it in to help improve hotel's services. This is processed into quantitative analysis.

### **7.1 PEST analysis**

Political, economical, social and technological environment of the Sheraton hotel is described in following four chapters.

#### **Political environment**

There is the Hotel Proprietors Act 1956 enacted by Scottish law.

Scottish law also orders a strict no smoking policy throughout a hotel premises.

Throughout the United Kingdom, the sale of alcohol is restricted - pubs, restaurants, shops and other premises must be licensed by the local authority and the individual responsible for the premises must hold a personal license.

Most city ordinances prohibit sound above threshold intensity from trespassing over property line at night, typically between 10 p.m. and 6 a.m., and during the day restrict it to a higher sound level.

Another part of the political aspect is taking care of the environment which became one of the main focuses in nowadays world and all the following legislation must be also executed: labour law, antimonopoly policy and consumer protection.

The Sheraton Grand Hotel holds a 24-hour license for the Exchange Bar for hotel's guests.

Level of noise must be always at reasonable level, that's why the Edinburgh Suite is soundproof and there are triple glazed windows as well.

Sheraton Grand Hotel is very environment friendly. They are sending the brochures via internet rather than by post, separating waste in every room (maids use recycling bags for paper, plastic and glass), don't change the linen or towels every night anymore (unless the customer wants to) and food waste is used for compost. Since last August they recycled 15 tons worth of paper or cardboard rubbish which means 2, 9% carbon emissions reduction.

Sheraton Grand hotel respects all the acts and other legislation and has their own terms and condition to follow as well.

### **Economical environment**

Rate of unemployment, inflation, rate of interest, GNP, trade cycle, rate of exchange, energy price development – all of these aspects influence the economical environment of the hotel. Besides that there was a credit crunch last year that affected whole business. The corporation business died last year but on the other hand leisure business went up so there is kind of compensation in hospitality business.

Credit crunch affected the Sheraton Grand hotel quite a lot last year; many bank conferences used to take place there before the crisis began. After banks started to lose their business the Sheraton Grand Hotel lost many customers in that field. So they begin to focus on Asian wedding market instead to compensate their loss.

### **Social environment**

Demographic development does not influence the hotel environment much, perhaps except marriage rate, as well as mobility is not much of affect here. On the other hand there is leisure time and work approach of hotel's customers that matters quite a lot. Education level

may seem like a reasonable aspect though when considering spending on the basis of the earned income of the family or individual.

Customers of Sheraton hotel differ from various individuals such as businessmen on a business trip, groups of people coming for a meal or a drink, families on a family trip, to associations or companies having an event there. Considering five-star rating of the hotel the events organized in the hotel are at affordable price for everybody. As well as/there again/likewise the afternoon tea which is a big part of Scottish culture and Sheraton Hotel allows both the young and the elderly to enjoy it on every day basis for everybody without exception.

### **Technological environment**

Overall availability of the technological products available on the market influences the technological equipment of the hotel and its exclusiveness, such as air-conditioning, electric showers, television and other room equipment, laundry room equipment, suites audio and video equipment, lighting system, electronic system in car park, office equipment, etc.

Obsolescence levels and technology modification contribute on the overall condition of technological facilities greatly. There are also research and development investments, automation and patent protection aspects which are more important for industrial companies than hospitality business.

## **7.2 Porter's five forces analysis**

Porter's five forces analysis is used to describe power of suppliers, customers and competitors within the industry.

### **7.2.1 Bargaining power of suppliers**

There are many suppliers for the hotel industry in Edinburgh that dispute the leadership with their pricing and great quality. Sheraton Grand hotel is a very important client. There are many different suppliers for the hotel: food & beverage, decorations, technical equipment of hotel's rooms and suites, additional staff for large events, contractors for current hotel's refurbishment, etc. The biggest supplier is Campbells Prime Meat Ltd which is also the biggest supplier in central Scotland.



Hotel has the standards to meet therefore the product differentiation is not high. Central purchasing won't let Sheraton hotel to use unknown suppliers – they always have to be approved and they always have to have credit and cash flow in their bank so they won't bankrupt when some purchasers are late with their payments. Therefore it is quite a problem to find different suppliers for the hotel and we can say that the power of suppliers is very high.

### **7.2.2 Bargaining power of customers**

There are several categories of hotel's customers: staying guests, restaurant-visiting guests, those who are coming only for occasional tea or coffee to meet with friends, spa or gym visiting guests, those who are attending an event in the hotel, etc.

Losing a customer always means losing the business. Every part of the hotel generates a profit and they need every paying customer to come again. Even though some of the customers are more important, some are less. Truth is that it is almost impossible to lose all the customers at the same time but if the service is not right they are most likely not coming back. And attracting a new customer is seven times more expensive than revisit of the current customer. Plus every customer has an opportunity to fill in the satisfaction questionnaire after every visit which has been evaluated every month to see the accuracy and standards of the services provided in the hotel. Therefore the customers' power is very high.

### **7.2.3 Threat of substitute products**

Hotel's substitutes can be mostly hostels or other kind of accommodation, restaurants or cafés, gyms, spas and other public services usually provided in a hotel as well. Considering that the primary thing is to stay at the hotel, using the facilities is just secondary thing; we can say that threat of substitute products is quite low. On the other hand the fact that a person already stays at the hotel does not necessarily means that he or she is more likely to use hotel's facilities than go to the different restaurant, gym or swimming pool. Hotel's customers like to sightsee and they usually dinner outside the hotel as well.

On the top of that resident would not probably go to the restaurant, gym or swimming pool in the hotel if he or she can use similar facilities near his or her home. This all depends on price and quality of the services provided in the hotel or public facilities; therefore hotel's

guests have an access to the hotel's facilities for reduced price and the quality meets requirements of a five-star hotel. Still the threat of substitute products exists and it is quite high.

#### **7.2.4 Competitive rivalry within an industry**

The rivalry between companies means to compete and cooperate simultaneously and, by implication, to get the most out of the business together. But there is still need of rivalry to make companies improve their services continuously. In the hotel industry in Edinburgh there are many competitors of Sheraton Grand; four hotels (mentioned previously in chapter 4.2) can be considered as main competitors and there are also many more hotels with perhaps lower rating but those can be still regarded as competitors as well. That is why the diversity of competitors is quite high.

Exit barriers from the hospitality industry are also high; it is not very easy to close the hotel and buyer's switching costs are rather low.

For these reasons competitive rivalry within an industry is high.

#### **7.2.5 Threat of new entrants**

Talking about new entrants to the market there are always entry barriers, such as government restrictions, patents or know-how, specific assets, and organizational economies of scale.

In hospitality industry there are very high capital requirements on building, refurbishing and equipment - very expensive start up costs altogether, furthermore knowledge how to manage everything, time and human resources plan and many more. There are very specific assets in this industry and low product differentiation.

There are rarely big hotels that are not part of the bigger complex. Major luxury hotels belong to some recognized brand identity already. For example The Balmoral Hotel Edinburgh is part of The Rocco Forte Collection; The Radisson Blu Hotel Edinburgh is a part of The Rezidor Hotel Group; etc. Brand identity gives them image and prestige of the parent company complex.

Access to distributional channels is not that easy either. That's why the threat of new entrants is very low.

### 7.3 SWOT analysis

SWOT analysis encapsulates hotel's main strengths, weaknesses, opportunities and threats.

#### 7.3.1 Strengths

- Standard size and shape of bedrooms
- The biggest car park (comparing with other hotels in Edinburgh)
- Good security of VIP guests because of the private driveway located behind the hotel
- Well trained staff
- Low staff turnover about 10% (used to be 20-25%)
- Staff members who work there long time know regular customers who therefore feel welcome in the hotel
- Great knowledge of competition
- The hotel building was built only 25 years ago in order to build a conference hotel therefore the hotel interior and its backstage was designed to suit most of the requirements
- £15 mil investment was made in hotel's spa in 2001
- Hotel's own very well equipped gym & studios with personal training provided that is located in One Spa
- Hotel's location - right next to the International Conference Centre and opposite to the Usher Hall
- Exchange bar has a 24hours alcohol licence for hotel guests
- Exchange bar can function as an additional area for conferences where people meet and greet
- Hotel is very quiet because of double glazing windows in bedrooms and triple glazing in suites

### 7.3.2 Weaknesses

- The festival square is not hotel's property but guests expect the hotel to take care of it
- Hotel is not of traditional look comparing to its main competitors (history is great selling feature in historic city such Edinburgh)
- No smoking rooms provided
- No pets allowed
- Hotel is situated quite far away from train station and bus station
- No reception desk at front entrance and not very visible reception sign either
- Visual aspect of the hotel's building – it has quite plain and dull facade
- Condition of rooms and bathrooms – they are wear and tear
- Air conditioning, heating and lighting condition in the hotel

### 7.3.3 Opportunities

- The International Conference Centre can seat up to 1500 delegates but doesn't provide any accommodation
- Refurbishment of the hotels' rooms and bathrooms (December 2009 till June 2010)
- Focusing more on leisure business to benefit from corporate credit crisis
- Concentrate on more promotion within UK and Europe and less in USA or Asia
- Improve the services according to the problems reported
- Air-conditioning and heating in the rooms reparation
- Speed of check-in service improvement
- Enlargement of business activities
- Package deals for different type of clientele
- Strengthen of marketing promotion

#### 7.3.4 Threats

- Credit crunch affected the business in past, now it is still changing the business even though the main crisis is over
- Loud building operations during the refurbishment
- VAT increase in January 2011
- Competition within the hospitality industry
- Price change of supplies
- Negative influence on the environment
- Loss of current customers
- Investment activities of the competitors

SWOT analysis summarization is to be found in analyses outcomes in the end of this chapter.

### 7.4 Guest Satisfaction Index Report

As I mentioned before the Guest Satisfaction Index (GSI) is a tool used in Starwood hotels and resorts worldwide to evaluate customer satisfaction with services provided in their hotels and resorts worldwide.

Even though this report is the one used for services improvement, its credibility is in my opinion highly arguable. It is based on customers' feedback even though not every customer gives one; plus we can assume that not satisfied customers are more likely to comment the situation than the pleased one. That is why the results are not exact and don't correspond with reality entirely.

All the input data for following graphs are put in appendix.

#### 7.4.1 Overall satisfaction

One of the main categories in this report is overall satisfaction (OSAT). As you can see in following graphs the overall satisfaction was declining through the last year. It was mainly caused by poor rooms' and bathrooms' condition which was the top problem in 2009. In December 2009 the refurbishment of the hotel rooms started and it will finish in June 2010.

Therefore the prognosis is that the overall satisfaction will increase again once the hotel rooms are refurbished.

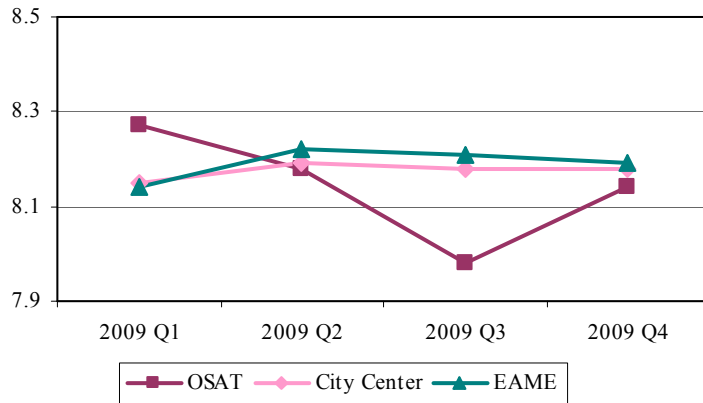


Figure 9 Overall satisfaction quarterly [28]

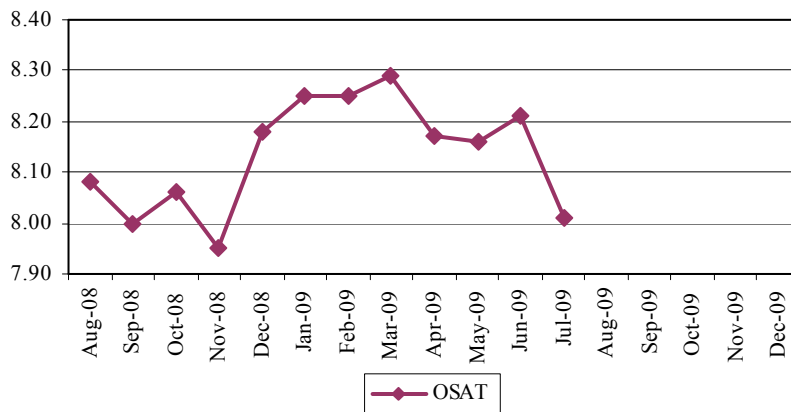


Figure 10 Overall satisfaction [28]

### 7.4.2 Problems experienced

Appendix V shows main problems experienced in 2009. Five top positions are occupied by condition of room and bathroom, condition of the hotel, speed of check in, air conditioning or heating and inadequate lighting, each with more than 5% of unsatisfied responses.

Following three graphs represent percentage of problems experienced, contacted hotel staff and problem resolution in Sheraton Grand.

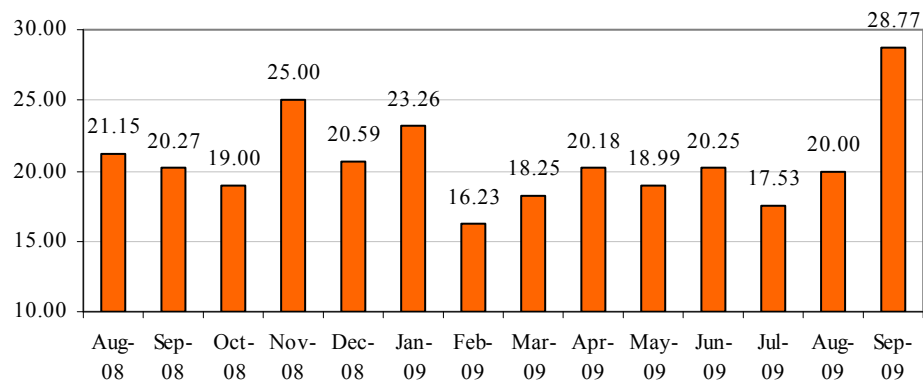


Figure 11 Problems experienced (percentage) [28]

Problems experienced average is 24.12%, problem resolution range from about 23% to almost 80% with average of 61.17% during this period.

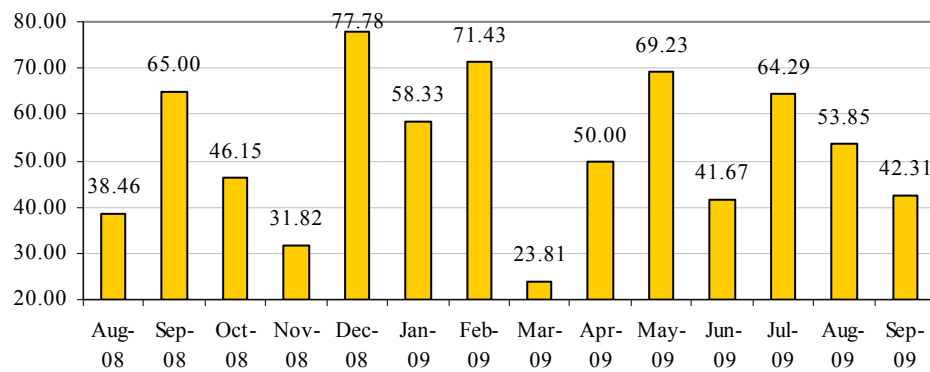


Figure 12 Problem resolution (percentage) [28]

These results are affected by percentage of contacted hotel staff with problem; only between 42.86% and 84% guests contacted somebody. Understandably the rest of the problems could not be solved.

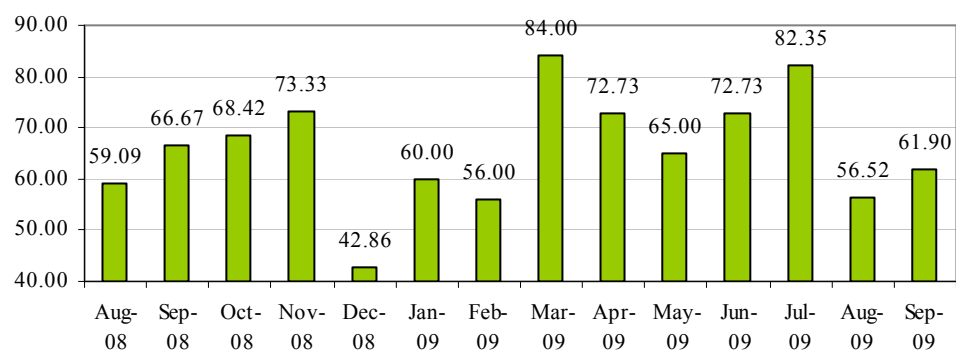


Figure 13 Contacted hotel staff with problem (percentage) [28]

### 7.4.3 Main GSI composites

There are 5 main composites in GSI report; all described in following sections.

#### Physical composite

This composite comprises of cleanliness of public areas such as lobby 20%, maintenance of public areas such as lobby 20%, room décor 20%, maintenance of guest room/bath 20%, and cleanliness of guest room/bath 20%.

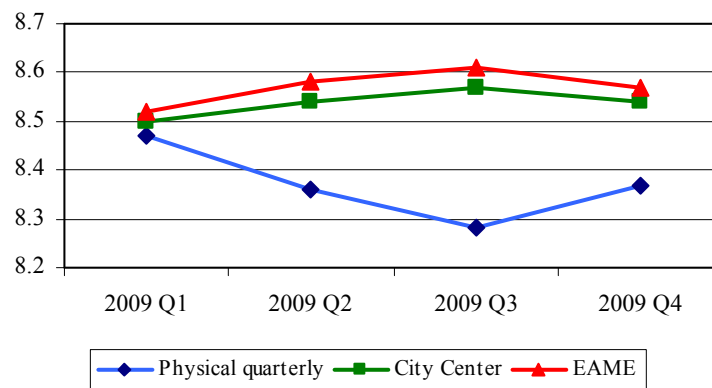


Figure 14 Physical composite quarterly [28]

Maintenance and cleanliness of guest rooms and bathrooms represent 40% of this composite and as I already pointed out this was the biggest problem last year. That’s why the blue line which represents Sheraton hotel results descends. In comparison with other city centre hotels the result is quite poor, same with EAME hotels (Europe, Africa and Middle East).

Physical composite goal for year 2009 was set at 8.46 and most of the year’s results were below this level.

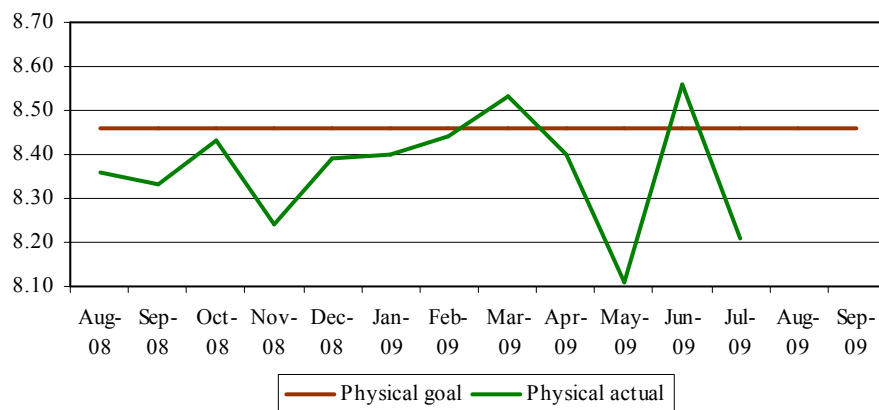


Figure 15 Physical composite [28]



**Service composite**

Service composite includes following categories: the staff genuinely cared for me 20%, the staff helped me feel welcome throughout my stay 20%, responsiveness of staff to your needs 20%, knowledge of staff 20%, and staff friendliness at check-in 20%.

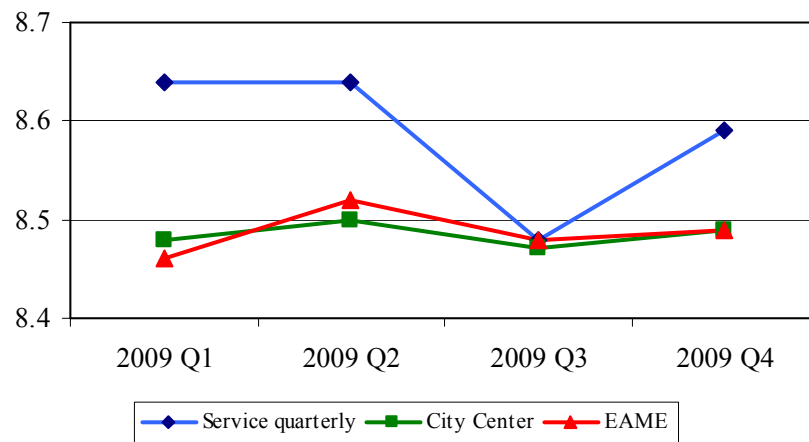


Figure 16 Service composite quarterly [28]

As we can see the service of staff members is very high. Comparing to EAME and city centre hotels Sheraton results are much better during the most of the year. As a service composite goal was set at 8.65 and 8.64 later that year the actual results oscillate around this level with mild drop in third quarter.

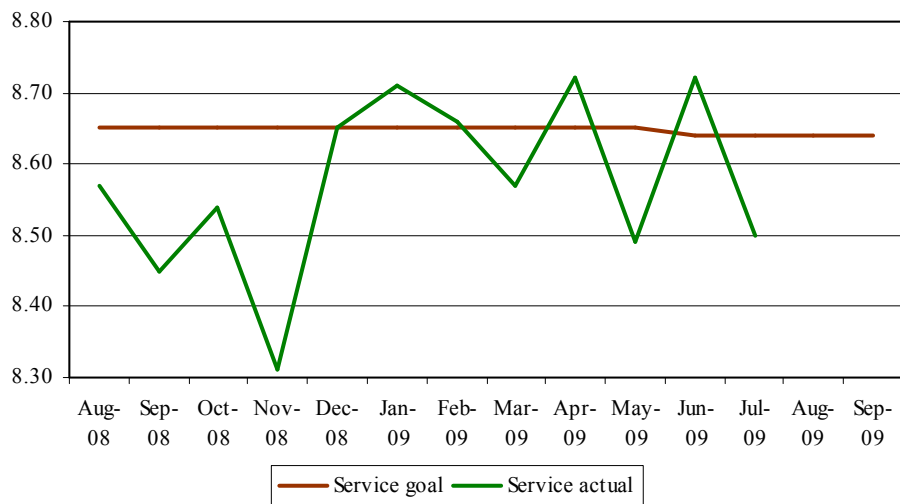
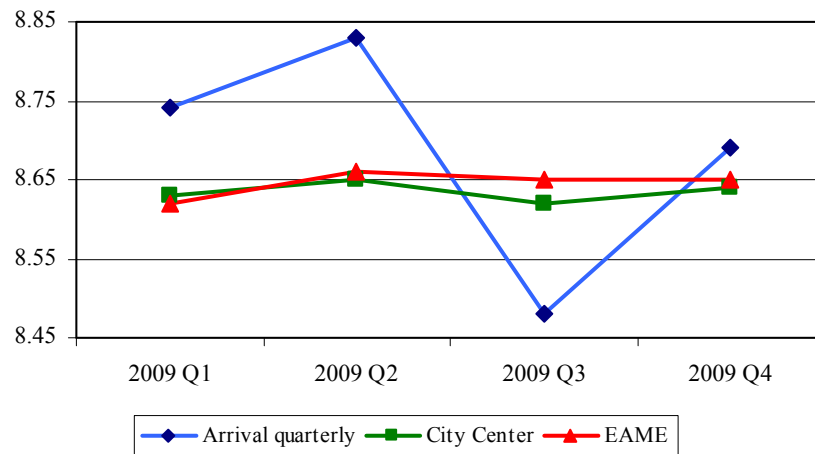


Figure 17 Service composite [28]

**Arrival composite**

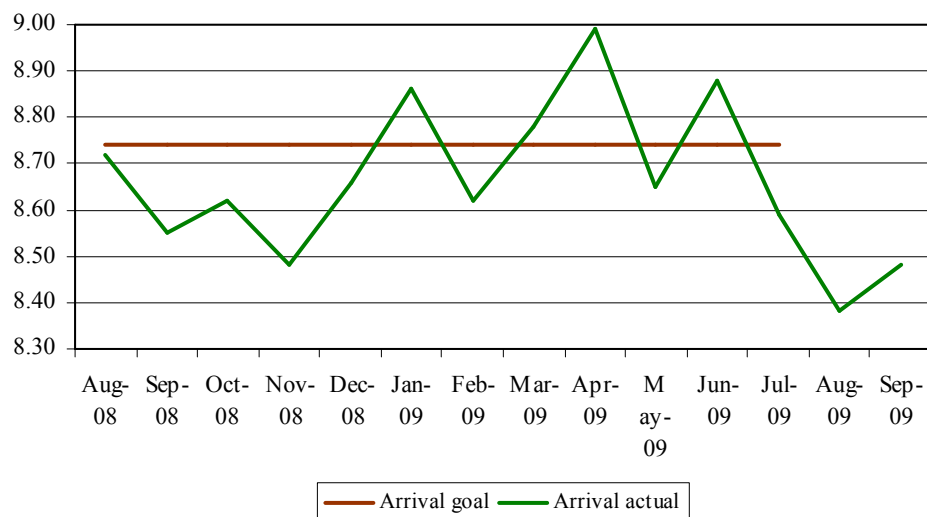
Arrival composite consists of staff friendliness at check-in 33.33%, speed/efficiency of check-in 33.33%, and speed/efficiency of check-out process 33.33%.



*Figure 18 Arrival composite quarterly [28]*

In comparison with city centre hotels and EAME, whose results are between 8.6 and 8.7, the Sheraton Grand has better results apart from the third quarter again.

This composite’s goal for Sheraton Grand was 8.74 for 2009. In first half of the year the results were oscillated around this level with great result of 8.99 in April; second half of the year is a bit worse.



*Figure 19 Arrival composite [28]*

**Food and beverage composite**

Food and beverage composite covers restaurant food quality 25%, restaurant service speed/efficiency 25%, overall in-room dining experience 25%, and overall restaurant breakfast experience 25%.

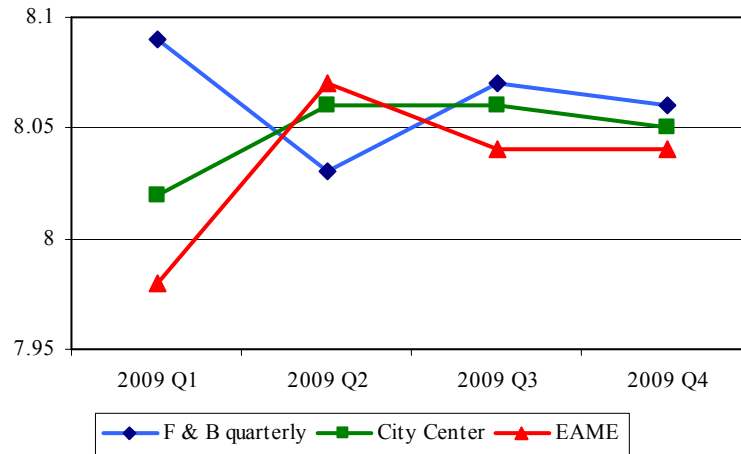


Figure 20 F&B composite quarterly [28]

Sheraton assumes a leading position in first quarter of 2009 when set against the city centre hotels and EAME results. The rest of the year the results come to the same slightly over 8.

Actual results were not that good as a goal which was set at 8.16 till June and 8.05 from July 2009. In general food and beverage composite results are very good. No serious deviations during the year indicate great standards compliance in hotel restaurants.

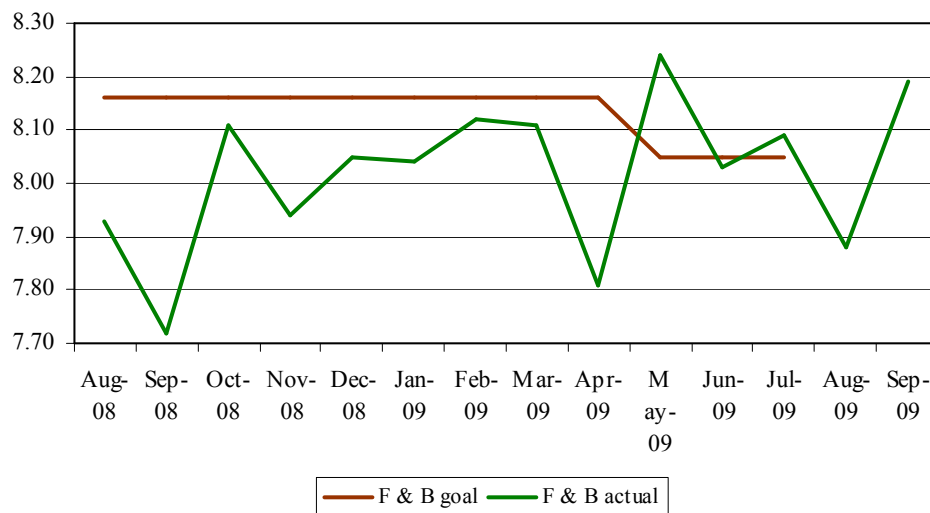


Figure 21 F&B composite [28]

**Guest loyalty composite**

Guest loyalty composite is represented by following categories: OSAT 33.33%, return to hotel 33.33%, and recommend 33.33%.

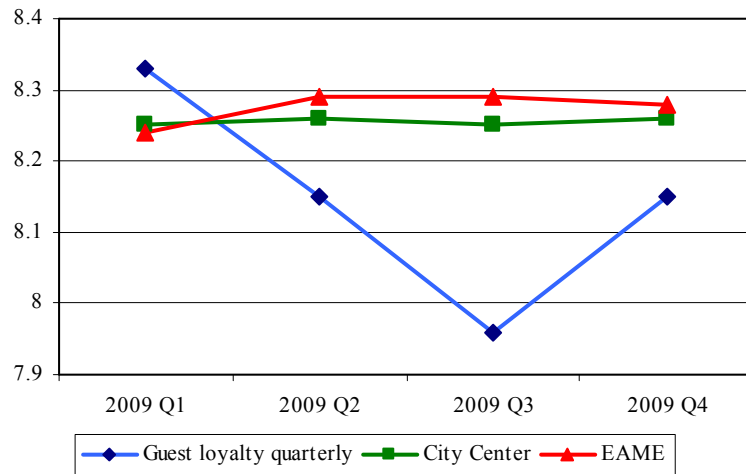


Figure 22 Guest loyalty composite quarterly [28]

This composite has the worst results in comparison with city centre hotels and EAME in 2009. This is again partially caused by overall satisfaction results that represent whole third of this composite.

Sheraton hotel goal was 8.21 and the actual results can be seen in following graph. Great results in first quarter of the year, descending trend during the rest of the year with worst result in August.

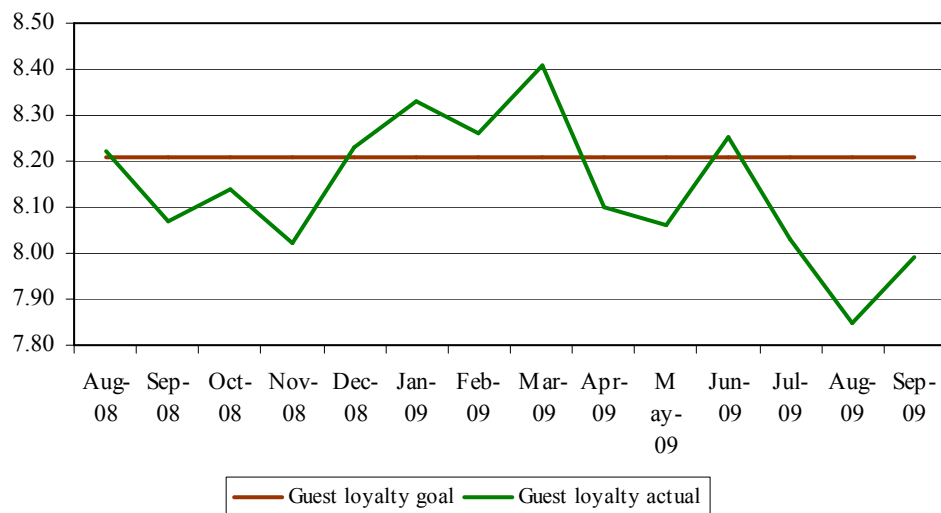


Figure 23 Guest loyalty composite [28]

7.4.4 Miscellaneous graphs

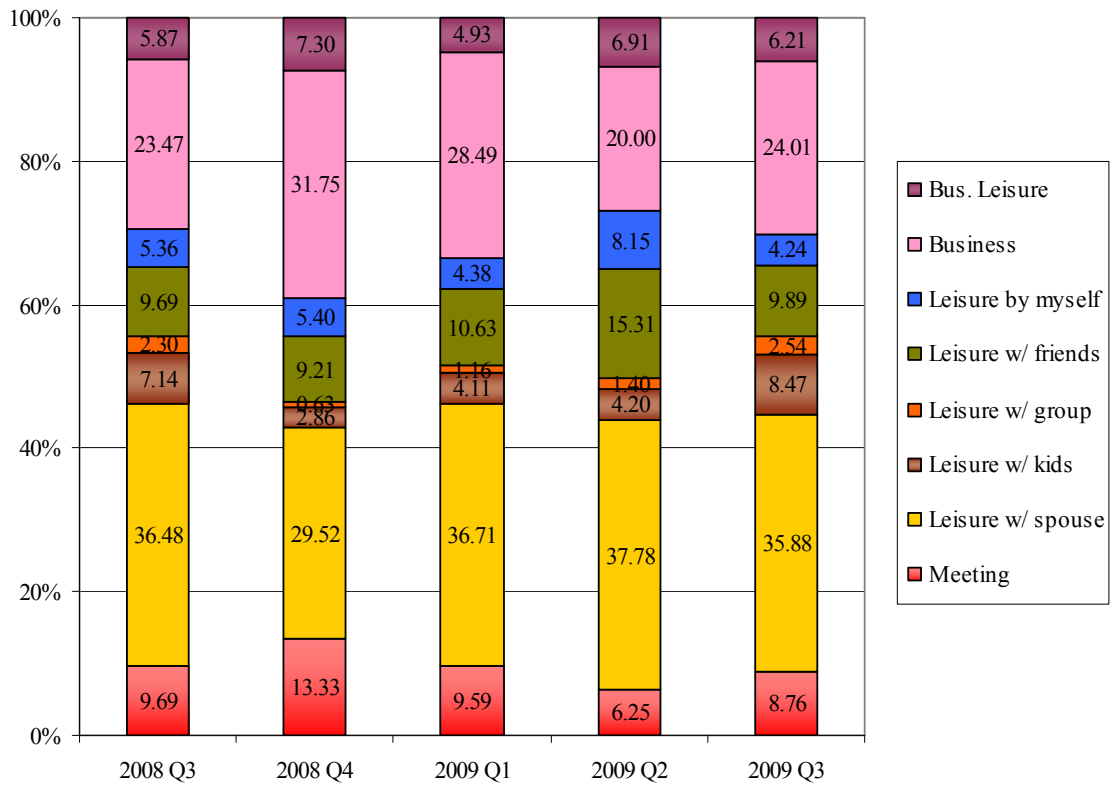


Figure 24 Reason for stay [28]

On average 35% of the reasons for stay is leisure with spouse, 25% business and about 10% meetings or leisure with friends. This is indicative of the fact that hotel generates good profit from meeting services and conferences in general.

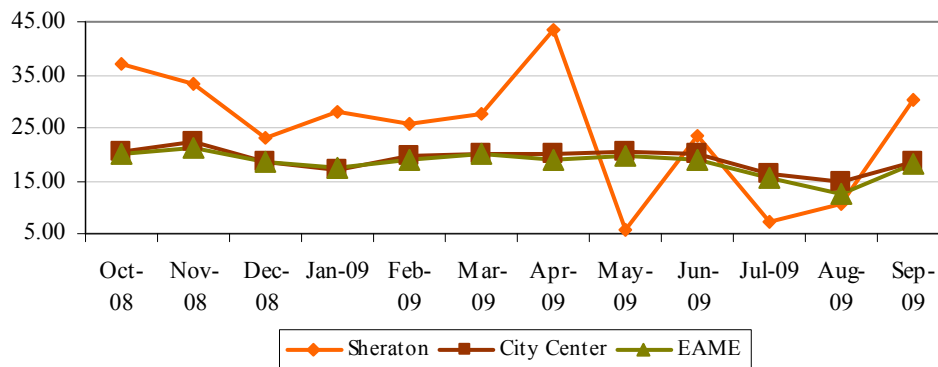


Figure 25 Attend bus. meetings in hotel facilities (%) [28]

The Sheraton Grand hotel was build with the purpose of the conference hotel which can be clearly seen from the graph above. Business meetings are attended here much often then in other hotels in EAME or in other city center hotels.

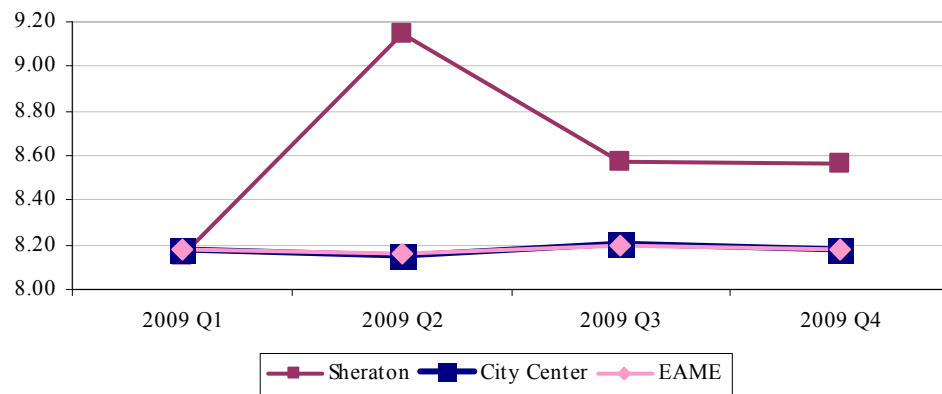


Figure 26 Overall meeting services provided in 2009 [28]

Overall meeting services provided in the hotel facilities were again much higher than EAME or city center hotels in 2009.

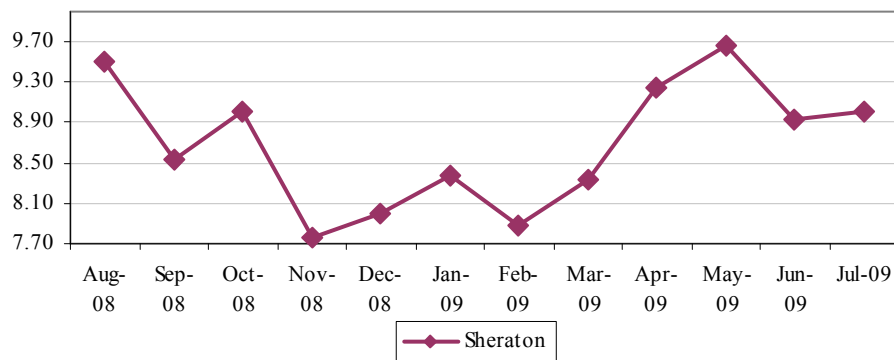


Figure 27 Overall meeting services provided [28]

## 7.5 Unstructured interviews outcome

Besides PEST, Porter’s and SWOT analysis unstructured interviews outcomes will be also used in the project part of this thesis. Here is a brief preview.

### 7.5.1 The general life cycle of an event

There are few general checklists for different events, such as sales managed event, finance company event, or event planner managed event which is showed below:

#### Initiation phase

Initial enquiry

Check availability

Arrange site

Enter into Opera

**Planning phase**

Set activity date to chase within 5 days

Send checklist/menus and other miscellaneous items

Get company headed paper from client

Check credit facilities

Chase for confirmation

Issue contract or event order including Terms & Conditions for non Ed-Suite events

Chase for contract and event info

Finalise event order and arrange menu tasting if requires

Get signed event order from client

Issue event order and group summary

Complete accounts checklist

Ensure pace report figures are updated

Update forecasting notes by 15<sup>th</sup> of month

Do menus and place cards if required

Pre-con

**Execution phase**

Meet guest on arrival

Guest arrival

Luggage

Daily handover/hourly check ups with banqueting dpt. & client

Attend daily meetings- 0915 & 1030

**Close out phase**

Arrange exit interview

Personally say goodbye to client

Check bill

Check invoice

Deal with any queries

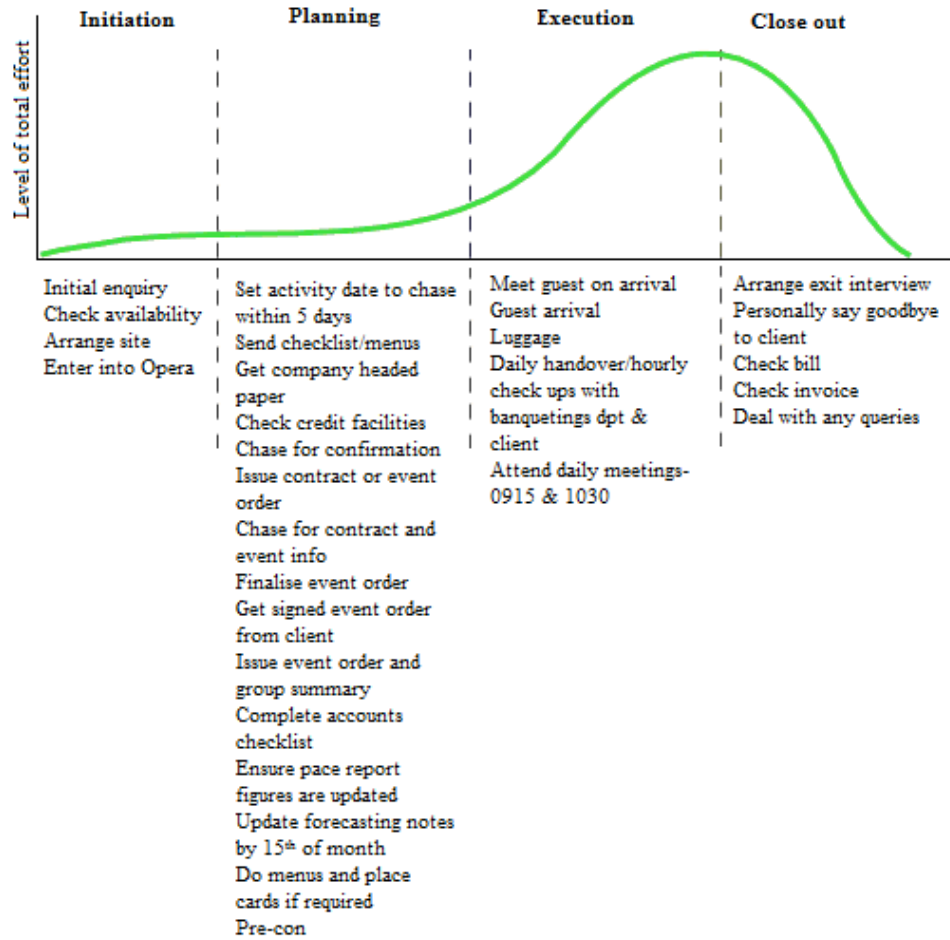


Figure 28 Event life cycle in general (own graphic composition)

### 7.5.2 Planning

Activity/Task	DDL	Person responsible
debriefing, feedback, evaluation of previous year	early January	chef, banqueting manager, food & beverage manager, event manager, and restaurant manager
estimates for upcoming year- budget creation	early January	chef, banqueting manager, food & beverage manager, event manager, and restaurant manager
brochures proof	March	event manager, banqueting manager, food & beverage manager
menu discussion and confirmation	March	food & beverage manager, event manager, and chef
brochures check	April/May	event manager, banqueting manager
brochure print	early June	event manager
brochures send out	June/July	event manager
hiring Christmas coordinator	July	event manager
Book disco	August	Christmas coordinator
Book Santa Claus	August	Christmas coordinator
Book entertainers	August	Christmas coordinator
Order Christmas presents	August	Christmas coordinator
Taking the enquiries	August onwards	Christmas coordinator

Figure 29 Time plan checklist (own graphic composition)



## 8 ANALYSES OUTCOMES

### Hypothesis 1

As we can see in figure 7, 11 and 12 the overall satisfaction was descending through the whole year. There was a decrease of almost 0.3 points from first quarter to third quarter caused by unsatisfactory condition of rooms and bathrooms.

Besides appendix V demonstrates top problems experienced: condition of room or bathroom reached the first place with 8.19% of unsatisfied customers, cleanliness of room or bathroom is quite common problem as well (both about 4%) along with air conditioning, heating and inadequate lighting (more than 5%). Therefore we can verify the first hypothesis that customers' dissatisfaction was increasing more and more during the last year because of bad condition of hotel's rooms.

### Hypothesis 2

Figure 17 and 18 proves that food and beverage composite more or less meets its goal and unlike other composites the shape of the curve is not descending - to the contrary it is oscillating around city centre and EAME results. For that reason we can also verify the second hypothesis which says that food and beverage standards are not influenced by general hotel's performance.

### Hypothesis 3

As Porter's analysis indicate rivalry within the industry is very high and hotel's position is influenced by customers, suppliers and competitors greatly. Their power is very high and the fact that Sheraton Grand is the biggest hotel in Edinburgh does not guarantee strong position within the hospitality industry at all. There are many factors influencing the success such as competitors' prices, very low customers' switching costs or the fact that hotel's suppliers must be always approved by central purchasing before bargain is made. That's why third hypothesis is not true (The fact that Sheraton Grand is the biggest hotel in Edinburgh guarantees very firm position on the market.).

### Hypothesis 4

Hotel business is very various; there is restaurant business, accommodation services, conferences and meetings facilities, spa and gym, etc. Therefore the credit crunch did not influence its performance that largely. It is true that corporate business rather declined but

hotel has begun focusing on leisure business instead, especially on Asian weddings. At the same time Sheraton Grand used this period to undergo bedroom refurbishment that is completed in two separate phases in two separate wings of the hotel so it won't affect hotel's guests much. Therefore fourth hypothesis (Credit crunch influenced badly hotel events business same as any other business in general.) must be refused.

#### PEST analysis

There are quite lot restrictions in hotel business: sale of alcohol, non smoking policy, permitted sound level, etc. Social environment is diverse and the hotel offers facilities available to everybody. There is no research and development influencing hospitality business specifically.

#### SWOT analysis

There are much strength listed in SWOT analysis but we have to bear in mind that they are not unique. Other hotels have great facilities as well same as great selling features. They are all situated in the city centre and benefit from the same things. Therefore every hotel has to be aware of their weaknesses and focus on their opportunities at all times to be able to compete with others. The biggest Sheraton hotel's strength are Edinburgh suite that can accommodate up to 500 guests, very good security of VIP guests and very well equipped One Spa. Main weaknesses are hotel's modern look, location far from train/bus station and condition of rooms.

## 9 CHRISTMAS DINNER PARTY PLAN PROPOSAL

On the basis of analysis outcomes I establish following objectives of the project part:

1. to propose particular Christmas dinner party plan for Sheraton Grand
2. to propose new dinner party ideas to attract specific target audience

There are several different parties during the festive season in Sheraton Grand hotel: Christmas party nights, Christmas party lunches, Festive/Private dining, Christmas Eve, Christmas Day, Boxing Day, Hogmanay and New Year's Day.

The following chapter 9 is detailed description of particular Christmas dinner party plan in chronological order. This project begins in January 2010 and finishes in January 2011.

In chapter 10 there will be some new ideas and specific packages suggestions introduced to extend services provided in the hotel during the festive season.

### 9.1 Event description and basic information

The event described in this thesis is a Christmas dinner party for 400 guests, taking place on 17<sup>th</sup> December in Sheraton hotel's Edinburgh Suite. Guests are from various backgrounds; families getting together, companies treating their employees, or colleagues celebrating Christmas together. The aim of this event is to celebrate Christmas and naturally to generate a profit for the hotel.

There will be a three-course meal dinner with half bottle of wine per person, festive cocktail on arrival and disco with DJ after the dinner included in price and private bar that will be open from 7 pm until 12.30 am. The price of this dinner will be £45 per person with £15 non-refundable deposit required at the time of booking; full pre-payment required by 1<sup>st</sup> November. There will be optional party night accommodation available with rates from £99/£109 (single/double) room only or £120/£140 (single/double) bed & breakfast.

Basic information is described in the following two chapters by showing event information templates and other figures used in Sheraton Grand. This is done for internal purposes only to know exactly what type of event it will be and who will be attending.

### 9.1.1 Information about the event

The first thing to do in organizing successful event is to get information about it. This information needs to be clear, specific, numerate and accurate. Event manager has to get all the information needed from the customers in order to organise the event just as the customer wishes. Project documents describe and define the time, cost and outcome dimensions alongside the way of managing, monitoring and controlling the project.

The following figure 28 shows template used in Sheraton Hotel to get basic information when customer calls or comes to book an event with the hotel.

Name and Surname:		Position/Title:	
Company/Agent: <i>Misc.</i>		Reference:	
<b>Date of Event:</b> <i>17/12/2010</i>		Alternative Dates	
Event Type: <i>Christmas Dinner Party</i>		Event Pattern: <i>Dinner + Disco</i>	
Type of Attendees: <i>Misc.</i>		Reason for Event: <i>Celebrating Christmas</i>	
<b>Main meeting room:</b> <i>Edinburgh Suite</i>		<b>Break out rooms:</b> <i>The Melville Suite</i>	
<b>No of Attendees:</b> <i>400</i>		No of Attendees: <i>400</i>	
<b>Timings:</b> <i>7.30 pm - 1 pm</i>		Timings: <i>7 pm -7.30 pm</i>	
<b>Lunch:</b> <i>no</i>		Lunch: <i>no</i>	
<b>Tea/Coffee</b> <i>no</i>		Tea/Coffee <i>no</i>	
<b>Set Up</b> <i>Banquet</i>		Set Up <i>none</i>	
<b>AV</b> <i>none</i>		AV <i>none</i>	
<b>Set Up Time</b> <i>2pm</i>		Set Up Time <i>6 pm</i>	
<b>Break Down Time</b> <i>1 am</i>		Break Down Time <i>1 am</i>	
Social Activities: <i>dining, dancing</i>		Dinner (day/s required)	
Spa Requirements: <i>none</i>			
<b>OTHER:</b>			

Figure 30 Event information template (own graphic composition)

Then there is also company address, telephone number and email address recorded and final arrangements are made about what the communication will look like.

In the case of events when the hotel runs the function they fill it in anyway to collect all the information and to generate subsequent documentation.

When all the details are clarified and confirmed and the contract is signed, there is simpler template created with basic event description as you can see in figure 29. This contains of contract number, contact person, event objective, event date, time and duration, room and set-up style, number of guests and all important details. This template is passed on the banqueting manager who is responsible for the operation part of the event organising.

In case of this particular event the following templates will be created later when all the bookings are finalized. I mention them just here for the purpose of clarifying the basic information. This Christmas dinner party will be one of many festive events taking place in the hotel at Christmas time. For illustration I filled in this template to see how it will look like in December when the Edinburgh Suite is at its full capacity.

Contact details: see Details below			Contract number: 432/5	
			Host name: John	
Time	Date	Room	Set-up style	Number of guests
7pm - 1am	17/12/2010	Edinburgh Suite	Banquet	400
Event's objective: To celebrate Christmas				
Menu				
Starter: Warm Potato Fondant				
Main: Glazed Loin of Pork with Tomato, Marjoram and Mozzarella				
Dessert: White Chocolate and Vanilla Bean Cream Slice				
Drinks				
Half bottle of wine				
AV: none				
Entertainment: disco with DJ + bar				
Details:				
	<b>number of guests</b>	<b>contact name</b>	<b>contact phone no.</b>	
Company X	25	John Mackenzie	07658943215	
Company Y	40	Patricia Walker	01315469876	
Company Z	35	Steven Mylne	07695432180	
Johnsons family	15	Maria Johnson	01315496875	
ABC Group	65	Henry Shand	07695482156	
RST Enterprise	50	Paul Bennett	01315468792	
MN course	40	Kathryn Hammil	07659843215	
PC school	20	Sheila Lang	07698645321	
John's hospital	50	Alan Kinloch	01316549872	
BDS programme	60	Jillian Taylor	07654983135	
Billing instructions: <b>Please charge 400 guests at £45.</b>				

Figure 31 Detailed event description (own graphic composition)

### 9.1.2 Project roles and responsibilities

Project roles and responsibilities should be stated at the beginning to know who participate on planning exactly and when the responsibility is passed onto somebody else.

There are 5 main stakeholders participating in festive season planning in Sheraton Grand Hotel – events manager, banqueting manager, food and beverage manager, restaurant manager and chef (kitchen manager). They all regularly meet every week during the whole year to evaluate previous events, to discuss the upcoming events and to plan them together. Therefore there is officially no such thing as a responsibility matrix or a communication plan. They easily communicate most business in those meetings, or simply use a phone or email. And as for a responsibility matrix – you cannot mention everything in this plan anyway, e.g. personal experience, so you always need to think about who to address. But following figure shows draft of how this responsibility matrix would look like for one of the Christmas parties.

Table 1 Project role responsibility chart (own graphic composition)

Activity	Events manager	Christmas coordinator	Banqueting manager	Banq. assistant manager	F & B manager	Kitchen manager	Restaurant manager	General manager
General planning of festive season	<b>E</b>		<b>E</b>		<b>E</b>	<b>E</b>	<b>E</b>	<b>A</b>
Menu			<b>C</b>		<b>C</b>	<b>E</b>		
Brochures	<b>E</b>		<b>E</b>		<b>E</b>			
Book entertainment	<b>C</b>	<b>E</b>			<b>C</b>			
Taking enquiries		<b>E</b>						
Payment control		<b>E</b>						
Seating chart		<b>E</b>	<b>C/A</b>	<b>I</b>				
Staff			<b>E</b>			<b>E</b>		
Set up			<b>C/A</b>	<b>E</b>				
Evening			<b>C/A</b>	<b>E</b>		<b>E</b>		
Cleaning up			<b>C/A</b>	<b>E</b>				
Debriefing and planning for upcoming year	<b>E</b>		<b>E</b>		<b>E</b>	<b>E</b>	<b>E</b>	<b>A</b>

## 9.2 Planning

After brief information introduction I will describe the event planning in chronological order in following chapters. There are three parts of organizing the Christmas parties:

1. General planning that includes menus preparation, brochures creation, expenses and revenues estimates, etc.
2. Detailed planning consists of enquiries taking, reserving the entertainment, deliveries, etc.
3. Operation part covers setting up the rooms, kitchen preparation and waiting staff delegation.

### 9.2.1 Work Breakdown Structure

Task Name	Duration	Start	Finish	Pred	No. of Staff
General planning of festive season	6 days	Mon 04/01/10	Mon 11/01/10		5
Book site and choose set-up	1 day	Mon 18/01/10	Mon 18/01/10	1	1
Menu	11 days	Mon 01/03/10	Mon 15/03/10	1	2
Pricing	6 days	Tue 16/03/10	Tue 23/03/10	3	2
Brochures proved	6 days	Wed 24/03/10	Wed 31/03/10	4	3
Brochures checked	3 days	Fri 30/04/10	Tue 04/05/10	5	1
Brochures printed	10 days	Tue 01/06/10	Mon 14/06/10	6	
Hire coordinator	1 day	Mon 14/06/10	Mon 14/06/10	1	1
Book entertainment	11 days	Mon 02/08/10	Mon 16/08/10	8	1
Taking enquiries	91 days	Mon 02/08/10	Mon 06/12/10	8	1
Payment control	66 days	Mon 02/08/10	Mon 01/11/10	8	1
Party packs delivery	23 days	Mon 01/11/10	Wed 01/12/10		
Staff rota	1 day	Thu 09/12/10	Thu 09/12/10		1
Drinks delivery	1 day	Fri 10/12/10	Fri 10/12/10		
Food delivery	1 day	Thu 16/12/10	Thu 16/12/10		
Seating chart	1 day	Thu 16/12/10	Thu 16/12/10		1
Kitchen preparation	1 day	Fri 17/12/10	Fri 17/12/10	15	25
Room set up + decorations	1 day	Fri 17/12/10	Fri 17/12/10	16	16
DJ and dance floor set up	1 day	Fri 17/12/10	Fri 17/12/10	9	1
Evening	1 day	Fri 17/12/10	Fri 17/12/10		42
Cleaning up	1 day	Mon 20/12/10	Mon 20/12/10	20	15
Debriefing and planning for 2011	6 days	Mon 03/01/11	Mon 10/01/11		5

Figure 32 Work breakdown structure (own graphic composition)



### 9.2.2 Gantt chart

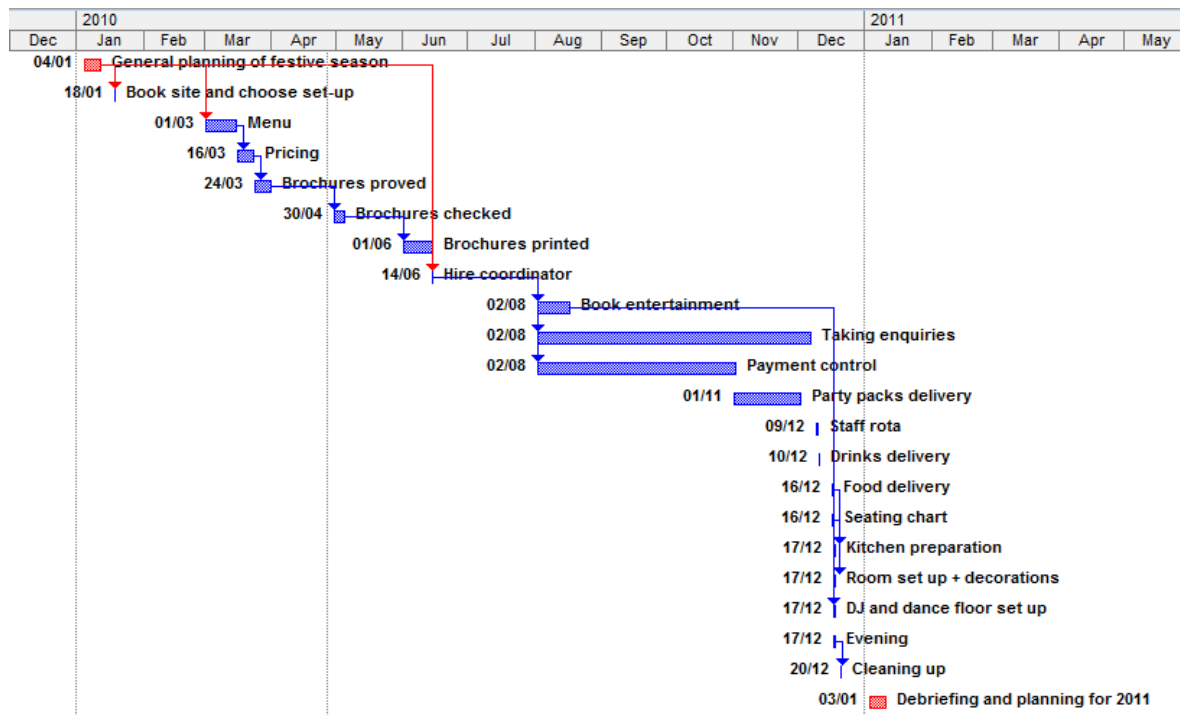


Figure 33 Gantt chart (own graphic composition)

### 9.2.3 General planning

This part will start in early January when chef, banqueting manager, food & beverage manager, events manager and restaurant manager will get together to debriefing, feedbacks and general success evaluation of previous Christmas parties. They will consider pricing – if the parties were too cheap or too expensive, revenues gained are compared with expenses, profits estimates for following year are made, budget is authorized, dates of Christmas parties are set, etc.

Chef will get to see the budget to check if costs were covered last year and he will have to come up with new menu within the new budget till March.

In March everything must be finalized; the new menu will be discussed and brochure will be approved and ready for printing. These will be checked again in April/May and will go to the print in early June. After that in late June brochures will be sent out possibly by email (to save the environment and the cost) or by post.

### **Defining the audience**

For defining the Christmas parties audience the enquiry system will be used; some of the visitors who are coming every year will book their next visit very early in the year. All hotel guests who have left their contact details will be saved in the database which is used for advertising upcoming events. Thereafter, when the Christmas parties' brochures are ready, the Christmas coordinator can use this database to send out the brochures to the potential clients. Apart from main clients who will be addressed directly, many brochures will be sent out to the hospitals, schools, police, NHS (National Health Service), etc.

There is also link on hotel's website that can be used to book tickets.

### **Advertising**

As I mentioned before the advertising of the Christmas parties will be carried out by email or by post when the brochures are sent out. There is a contact list of clients already available and furthermore these brochures are usually sent out to the hospitals, schools, police or NHS. There will then be copies allocated throughout the hotel – in restaurants, bars, reception and spa reception. It is Christmas coordinator's responsibility to make sure that the stations are fully stocked all the time.

### **Site**

When choosing the right room for the event the main criterion is the number of guests attending and the purpose of an event. As I mentioned before there are several set-up styles available, such as banquet, boardroom, cabaret, classroom, theatre, or u-shape and wide range of suites or smaller rooms. The only limitation is that Mackintosh and Stevenson rooms have static tables therefore their maximum capacity is 14 people.

### **Traffic management and car park**

Car parking is available at the Sheraton Grand Hotel & Spa on the bottom two floors of the adjacent One Spa building with height restriction of 2.5 m. There is also private driveway located behind the hotel for VIP access. The Christmas dinner party guests will probably not use this service as they are usually drinking..

#### 9.2.4 Detailed planning

In June the Christmas coordinator will be hired to take over detailed planning part of the process. They used to hire them in July which was quite late. Christmas coordinator needs sufficient time to become fully equipped with all the skills and knowledge needed; a proper training programme for the Christmas coordinator should be introduced along with Opera training. I would also recommend that the position should be full time position from beginning of September.

The main responsibilities will start in August when he or she has to book entertainment, e.g. DJ for disco, magician, Santa Claus for Christmas day, order Christmas presents for family parties with children, etc. After that bookings for the parties are taken onwards and everyday dealing with customers begins. He or she has to send more brochures out, distribute them in any possible way, answer all the customers' questions, deal with payments and deposit payments, chasing clients for confirmation, deal with online bookings, keep record of all details, etc.

There was a bit of problem last year with festive dining bookings; a major point of the Christmas coordinator dealing with festive dining bookings was to allow collection of deposits from parties of more than 10. However this wasn't done with any consistency because some resort sales and terrace restaurant staff continued to make bookings, even for bigger parties, without redirecting them to Christmas coordinator to organise collection of deposits from the customers. That caused confusion both for hotel staff and customers who have been redirected backwards and forwards.

There will also be a vital part of the preliminary organising of Christmas for 2010 with all staff who are potentially communicating with Christmas and Hogmanay customers - all restaurant, front office, reception, resort sales & events staff.

They should be

- aware of the arrangements for festive bookings at an early stage,
- familiar with the Christmas & Hogmanay brochure,
- able to provide customers with some initial information at the very least, and
- able to take and record Christmas enquiries if necessary.

### **9.2.5 Operation part**

Operation part is very short yet probably the most important. It will start the week before the event by planning the rota and drinks delivery and will continue to the day before the party by leaving the right amount of tables and chairs in the room to save time the next morning, and will finish on the very day of the event.

#### **Communication plan**

Chef, banqueting manager, food & beverage manager, events manager, and restaurant manager meet every week to discuss important business. Every Thursday banqueting manager get business pack for following week that comprises of events' basic description necessary for him to plan that week – to ensure he has enough staff working that week, and to plan the operations. On 9<sup>th</sup> December he will get the plan for all Christmas events taking place in the week beginning 13<sup>th</sup> December 2010 that will be definitely lunch and dinner in 17<sup>th</sup> December and dinner on 18<sup>th</sup> December (these are already planned).

#### **Staff rota planning**

The staff rota will be ready the previous week to ensure the right amount of staff for all events in that particular week. Banqueting manager and his assistant will set up the room with 14 other people who will be working from 2 pm till midnight at the day of the event. The rest of staff members will come at 7 pm. 14 of them will stay till finish (4 of them working in a bar, the rest waiting on tables), 16 additional staff will be working from 7 pm till 11pm. Total number of staff will be 40 waiters, 4 bartenders and 2 managers or assistant managers.

#### **Dinner party**

On the day of the event banqueting manager will come first to the room – he will lay out the tables and put notes saying how many should be the table set up for. Set-up crew will come bit later and are briefed on what to do.

Banqueting manager or his assistant will divide responsibilities, e.g. one person is responsible for table 1 and 2, another for table 3 and 4, etc.; one person responsible for setting up the chairs, etc.

There is a checklist of “to do” tasks that must be followed before every dinner. Following will be already prepared:

- cutlery polished
- napkins folded
- bread and butter prepared
- ice buckets filled + ice machine working
- linen for the tables ready
- list of guests + seating chart
- etc.

### **Dinner set up check list**

The following check list is designed generally for any dinner event organised in Sheraton Grand hotel. However the requirements are always a bit different and banqueting manager or his assistant has to follow specific demand each time.

#### Room

- Table cloths
- Side plates and cutlery
- Cruets
- Glasses
- Napkins
- Pin spots
- Menus
- Table stands and numbers
- Chairs
- Set the lights with the client
- Sweep over the room generally tidying up and picking up rubbish.

#### Drinks reception

- Trays laid up outside the dispense bar
- Any wine opened that is needed
- Whet the glasses no more that 30 minutes before the doors open
- Foyer clear and tidy of ant rubbish

- Occasional tables must be laid with underclothes and 70 x 70 linen
- Crisps and nuts in the foyer on occasional tables with cocktail napkins
- Window blinds either all open or all closed but tidy either way
- Sofa and chairs into the Melville suite
- The first trays ready 5-10 minutes before the doors open.
- Delegate one person only to stand in dispense and open/pour wine

#### Bar

- Set at least 1 hour before opening
- Fruit sliced and in fridge
- Run through beer/lager and check quality
- Ice the bar
- Cash and change ready before opening
- Drinks/wine lists available for all staff
- Bar staff briefed on closing times etc

#### Back of house

- Coffee station
- Service cloths (on the coffee station)
- Fish plates for crumbing down
- Coffee machine clean and tidy and fresh bags of coffee ready to be brewed
- Service plan and menu on the whiteboard
- Discuss the menu with the most senior Chef on duty at least an hour before service

#### **Seating chart**

The day before the event the seating chart must be finalized. The first priority when creating it is to seat groups near each other. Often it is also required not to share table with some other group. However this cannot be promised as it depends on number of people in each group and how full the particular ball room is.

Table 2 Seating chart (own graphic composition)

Name or organisation	Number of guests	Tables' numbers
Company X	25	6,14,15
Company Y	40	30,31,36,37
Company Z	35	4,5,16,17
Johnsons family	15	3,6
ABC Group	65	17-19, 32-35
RST Enterprise	50	1,2,6,7,9
MN course	40	28,29,38,39
PC school	20	20,21
John's hospital	50	10-12,22,23
BDS programme	60	24-27,40,41

List above will be placed on large boards at the entrance to the Melville Suite for guests to see which tables to sit at.

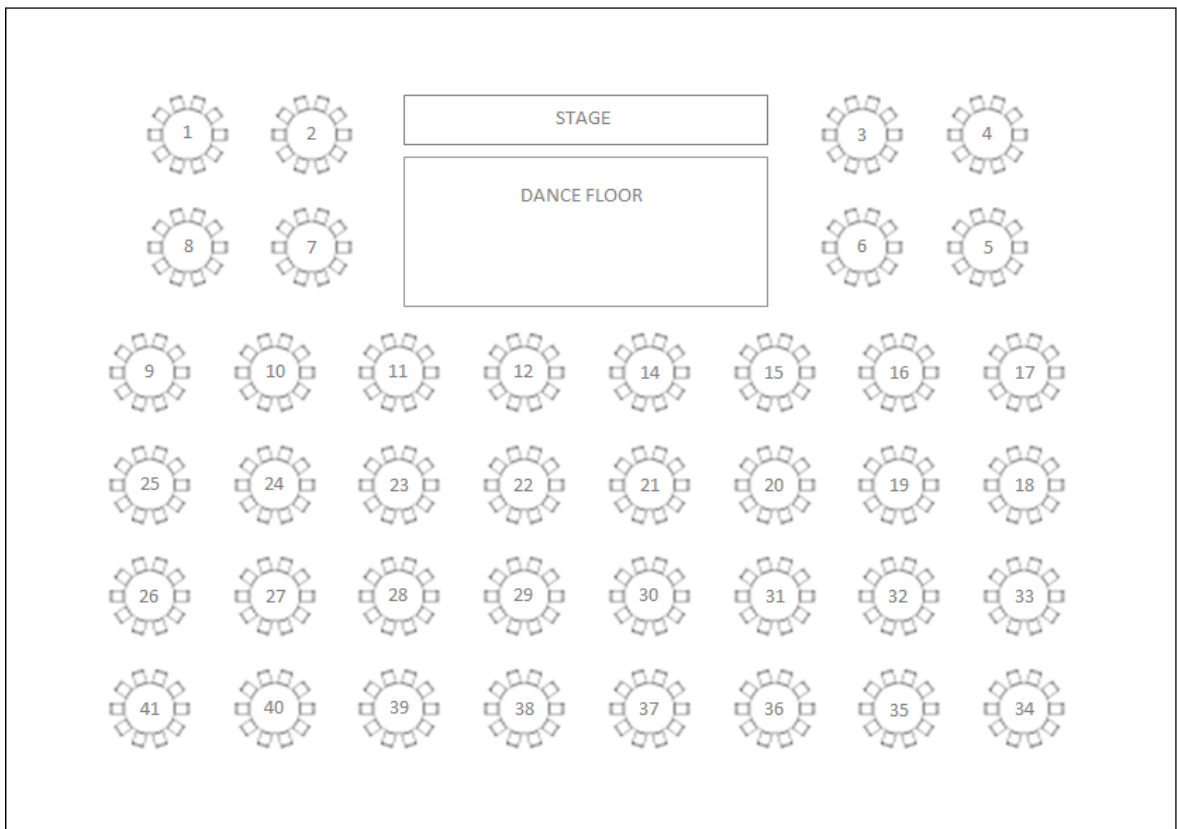


Figure 34 Seating chart used for setting up the room (own graphic composition)

### Dinner party timing

The following table is a brief overall of the ideal dinner party timing.

*Table 3 Dinner party timing (own graphic composition)*

<b>From</b>	<b>To</b>	<b>Duration</b>	<b>Task</b>
7pm	7.30 pm	30 mins	Reception with champagne
7.30 pm	7.45 pm	15 mins	Sitting to the tables
7.45 pm	7.53 pm	8 mins	Serving hot plated starter
7.53 pm	8.08 pm	15 mins	Eating and clearing the tables
8.08 pm	8.20 mins	12 mins	Serving main course
8.20 pm	8.40 pm	20 mins	Eating and clearing the tables
8.40 pm	8.50 pm	10 mins	Serving desserts, teas and coffees
8.50 pm	9 pm	10 mins	Eating and clearing the tables
9 pm	1 am	4 hrs	Disco and Bar

Reception will start at 7 pm in Melville Suite that will be used as a meeting and greeting area for coming guests; seating chart will also be placed there on large board so guests can see which tables are theirs. There will be 4 bartenders in Melville Suite Bar that will be open during whole evening and 8-10 waiters serving complimentary festive cocktails on trays. After the reception at 7.30 pm the Edinburgh suite will open for guests to take seats; there will be complimentary half bottle of wine at tables for every guest.

As I mentioned before there will be 40 waiters; that means one server per table to wait on the table - to pour wine or water and to serve dessert and tea or coffee at the end of the dinner. However, hot plated starter and main course will be served by team of waiters. There will be ten teams of four, each serving four tables.

This is ideal timing how the dinner should go. Naturally there always are many distractions and delays such as cigarette breaks, toilet breaks, people standing at the bar, dancing people, drunk people who are not able to eat, people sending food back or asking for vegetarian option instead, etc.

There will be a last call in the bar around 12.30 am, the music will stop at 1 am and guests will be asked to finish off their drinks and leave the suite.



**Cleaning the room after the event:**

The right amount of tables and chairs will be stacked at the side of the room for next event, the rest will be carried away; dirty glasses, crockery and cutlery will be cleared up; table and chair linen will be put in the laundry room; and cleaning will proceed from midnight till 6 am by the cleaners.

**9.3 Risk analysis**

There is a health and safety routine in the hotel - general standards that must be met. There will be no special consideration when organising the event. Most of the staff members present at the event are trained as first aiders themselves, so in case that anything happens they are licensed to help. If there is a bigger emergency they would call an ambulance. If alarm goes on staff members tell the audience to leave the building, to leave their personal belongings, to use the nearest exit that is pointed to them and to go to the assembly meeting point. This is standard emergency procedure for all public places.

As for a risk assessment there is basically none; for practical reasons only – if there was a risk assessment for every little thing that could possibly happen there would be large number of files and paper sheets. There are standard operating procedures that include e.g. working in the heights, handling hot plates, cups or chaffing dishes, etc.

There is health and safety manager in the hotel that is responsible for staff trainings, two full-time members of security and additionally hired staff for larger events; they are all responsible for guests' safety.

However, if anything goes wrong managers have to react appropriately. Here are some problems that could easily happen when organising the Christmas dinner party:

- Insufficient amount of brochures printed. This happened last year; they ordered 1000 copies initially and had to order reprint of 400 more copies. This was very inefficient; one larger print run is more cost effective than having two smaller print runs.
- One of the servers gets sick. It always depends on actual situation but one of the solutions is to rearrange table plan, e.g. four waiters would serve five tables, etc. If there is a bigger event and there are additional servers hired by agencies they always ask for one extra person in case somebody don't arrive or anything else happens.

- One of the managers gets seriously ill. There are manager assistants or other staff who are trained to cover for managers. In case of long term illness they would probably promote assistants or hire new managers. In my opinion it is always more effective to promote current staff then hire new manager who does not know the hotel and its processes.
- Christmas coordinator makes many mistakes due to insufficient amount of information about the hotel or their job description. Because the Christmas coordinator is hired for the purpose of festive season coordination only he or she needs sufficient time to become fully equipped with all the skills and knowledge needed to do a good job. That is why I recommended earlier hiring them in June instead of in July.
- Some guests gets very drunk and make a scene. There should be security ready for this at all times as this can ruin everybody's evening. Bartenders should not serve somebody who looks quite drunk already and security and staff members should watch guests' unusual behaviour to avoid these scenes.
- If anything happens for example in the kitchen or during serving the meal, the servers and managers must smile all the time pretending that everything is going to plan. Guests don't know the exact plan for the evening anyway. Therefore if the guests think that everything is fine, then it is success even though everything planned would went wrong.

## 9.4 Close out

Close out phase will proceed in the same way as the first part of planning. In January those five managers will get together to debrief and evaluate previous year's results and to plan upcoming year's events. They will also check the budget and create a new one with according pricing.

### 9.4.1 Budget

It is quite difficult to create a fictional budget for single event within the whole hotel. Some of the information is confidential; some of them cannot be separated from the whole.

Revenues are clear; they can be expressed as 400 guests charged at £45 which equals £18.000. There is also breakdown of revenues available:

*Table 4 Breakdown of revenues  
(own graphic composition)*

Food	£32
Beverage	£7
Miscellaneous	£3
Entertainment	£3
<b>Total</b>	<b>£45</b>

The difficult part is to quantitate expenses. There are food and beverage costs that are not known exactly; they consist of food costs, half bottle of wine per guests (that is 200 bottles) and complimentary champagne on arrival. Next cost is DJ payment or party packages that was about £1800 in total in 2009 (these are used for all parties during festive season). There are no charges for electricity when hotel runs the function. Hypothetically wages of servers can be partly calculated as they are paid by the hour.

*Table 5 Total waiters' wages (own graphic composition)*

Number of servers	From - To	No of hours without breaks	Hourly wage	<b>Total</b>
14	2pm - midnight	8.75	£ 6.20	£ 759.50
14	7pm - finish	6.25	£ 6.20	£ 542.50
16	7pm – 11pm	4	£ 6.20	£ 396.80
				<b>£ 1698.80</b>

But this is the only part of expenses that can be actually calculated in this thesis. Managers and other staff members participating in this organising are paid monthly during whole year. Kitchen staff is hard to calculate as well because the preparation is done the day before the event and we can hardly say who participates and for how long exactly. Plus there is preparation of other events' food going on as well.

I could not create profit estimating due to insufficient amount of information or confidential information.

#### **9.4.2 Various recommendations**

Offer some kind of motivation for filling in the GSI report to get more accurate evaluation. As I mentioned before there is a GSI report used in Sheraton Grand hotel to get feedback

from the customers who have stayed at the hotel. In my opinion customers do not have any motivation to fill in the questionnaire once they are not in the hotel anymore. In general people don't like filling in questionnaires and therefore I think that there should be some kind of motivation for them, e.g. prize draw, some vouchers or other offers or benefits for next visit. This would also increase the likeliness of customers wanting to come back to stay in the Hotel.

Send survey emails after Christmas to people who were contacted but didn't book at the Sheraton, to ask:

- Why didn't you book with us?
- Did you book with someone else - who was it and why?
- Did we contact the right person and who should we contact next year?
- How can we improve our service?

These people could be again offered the chance to be put into a prize draw (e.g. for a bottle of champagne) if they reply to the survey, to encourage a good response. Even few responses are valuable and can help improve the services and marketing strategy for next year.

Send thank you emails and letters to those who booked with Sheraton. Let them know about upcoming events and ask them for feedback:

- Did they enjoy it?
- Suggestions to make it even better.
- Perhaps offer a special loyalty discount if they book next year or a discount coupon if they book a meal at one of the hotel's restaurant before March 2010.

Also tell guests about the Sheraton's Silver Anniversary (25 years) and any forthcoming promotions.

Offer a 10% discount for next year's Christmas Meals, if you booked previous year and if you book Christmas meal, party night or party lunch by March 2010 (for Christmas 2010). This should lead to early and follow on bookings for Christmas 2010 and captures customers who always have the choice to go elsewhere.

## 10 CHRISTMAS DINNER PARTY IDEAS SUGGESTIONS

There are different people in audience every time therefore an event attraction should be varied. In following chapters I suggest few new ideas for Christmas parties' diversification to attract specific target audience.

### 10.1 For adults in general

There is a disco after every Christmas dinner till 1am. In my opinion it would be nice if there was live music. My concept would look like this:

*Table 6 Evening course with live music (own graphic composition)*

7 pm – 7.30 pm	Reception
7.30 pm – 9 pm	Dinner
9pm – 10.30 pm	Live music
10.30 pm – 1 am	Disco with DJ

Scottish culture has a great tradition of live Scottish music which is very lively; other option is jazz music which is very catching or for example blues music that is quite passionate. Some of the Christmas dinner parties could be thematic oriented on live music, either separately or combination of different style. This would definitely attract specific audience – live-music-loving people. This could be also set up as a combination of different music styles in one evening.

The following packages should act as an additional service to existing Christmas dinner parties taking place before the dinner.

### 10.2 For girls'/hen's night out

Before going out every woman spend quite a time in front of mirror trying to look her best. It doesn't really matter if she's going out for a dinner with her man, friend or girlfriend. Therefore my next idea work on the presumption, that it certainly would be nice to spend this time with girlfriends and make their own party out of it. They would come to the One Spa few hours before the dinner where they could get a massage or facials, get some beauty

tips on make up, hairstylist would help them do theirs hair and there could also be a manicurist and pedicurist available for example. There would be quite high additional fee for this but everybody is willing to treat themselves a bit more before Christmas.

### **10.3 VIP party**

Last idea is to organise co-called VIP party which is quite similar to the previous girls'/hen's night out with few upgrades. A limousine would pick up guests in their home, office or other place and they would have nice ride with champagne to the hotel. They would again visit One Spa few hours before the dinner where they could let treat themselves to the massages, facials or other services provided.

### **10.4 Slumber party**

This type of party would be perfect for kid's birthday celebration or schoolmates and their families who know each other or want to get to know each other. After the dinner children would go upstairs and spend the rest of the evening having their own fun while parents would stay in the suite to enjoy the disco. Child care services are available upon request in the hotel anyway.

### **10.5 Decorations**

The only decorations used at the Christmas dinner parties are table and chair linen and Christmas party packages on the table, e.g. Christmas crackers, hats, etc. In my opinion it would be really nice to add some more Christmassy spirit. For example small Christmas trees in every corner with some Christmas presents underneath would be definitely nice touch; same as a mistletoes hanging over guests heads on the sides of the room.

I'm aware that these recommendations will be expensive add-ons but on the other hand if the number of guests would grow the revenues would grow as well. Therefore the profit would be still the same or even bigger and customers would have definitely more options on how to spend their Christmas celebration.

## CONCLUSION

The aim of this master thesis was to apply theoretical knowledge of project management during festive season in Sheraton Grand hotel in Edinburgh, to evaluate the current situation of the hotel and to propose particular Christmas dinner party plan for Christmas 2010.

The Sheraton Grand hotel & Spa Edinburgh is the biggest hotel in Edinburgh (in terms of the number of guest rooms) and has the city's biggest hotel venue. Yet the fact that Sheraton Grand is the biggest in Edinburgh does not guarantee the strongest position within the hospitality industry because there are many competitors there.

The main weaknesses are the hotel's modern look, location far from train/bus station and condition of rooms. The biggest Sheraton hotel's greatest strength are that the Edinburgh suite can accommodate up to 500 guests, very good security of VIP guests and very well equipped One Spa.

In last few months the guests' satisfaction was quite descending mainly due to poor condition of guest rooms. However in December 2009 hotel's refurbishment started and will finish in June 2010; for that reason the level of customer satisfaction is expected to increase in a few months time. There was also the credit crisis influence last year, when the hotel lost many corporate businesses; but they focused on leisure business instead and have been undergoing the refurbishment while the customers' demand is lower.

There are several different Christmas celebration parties during festive season in Sheraton hotel; Christmas dinner party is one of them. These are annual events and the planning and organisation is quite a stereotype for hotel's managers. They know exactly what to do and when to do it. However the situation is slightly different every year due to various impacts so the project course must be controlled and regulated accordingly.

In this thesis I suggested few recommendations especially in the middle part of the project planning when Christmas coordinator is hired only for few months to take bookings and payments and to do the Christmas and Hogmanay promotion. Therefore this person could be completely new in the hotel business and needs more time to adapt to the new environment.

The course of the evening is standard; therefore there are basically no suggestions here.

Within the project part of this thesis I also created cost and risk analysis.

In last chapter of this thesis I introduced few new ideas on Christmas party packages. There will still be a dinner but there are some special additional services as well. Considering analysis outcomes attracting new target audience is good step to increase overall satisfaction of hotel guests.



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[28] GSI reports

**LIST OF ABBREVIATIONS**

PC	Personal computer.
IT	Information technology.
WBS	Work Breakdown Structure.
PERT	Program Evaluation and Review Technique.
CPM	Critical Path Method.
UK	United Kingdom.
SWOT	Strengths, Weaknesses, Opportunities, Threats.
GSI	Guest Satisfaction Index.
GNP	Gross National Product.
VIP	Very Important Person.
USA	United States of America.
OSAT	Overall Satisfaction.
EAME	Europe, Africa, Middle East.
AV	Audio Visual.
DJ	Disc Jockey.
m	Metre.
mins	Minutes.
hrs	Hours.

## LIST OF FIGURES

<i>Figure 1 Bottom-up estimating [17]</i> .....	22
<i>Figure 2 Matrix structure [15]</i> .....	25
<i>Figure 3 Centralized structure [15]</i> .....	25
<i>Figure 4 Functional structure [15]</i> .....	26
<i>Figure 5 Porter's five forces analysis scheme</i> .....	35
<i>Figure 6 SWOT analysis [24]</i> .....	36
<i>Figure 9 Overall satisfaction quarterly [28]</i> .....	54
<i>Figure 10 Overall satisfaction [28]</i> .....	54
<i>Figure 11 Problems experienced (percentage) [28]</i> .....	55
<i>Figure 12 Problem resolution (percentage) [28]</i> .....	55
<i>Figure 13 Contacted hotel staff with problem (percentage) [28]</i> .....	55
<i>Figure 14 Physical composite quarterly [28]</i> .....	56
<i>Figure 15 Physical composite [28]</i> .....	56
<i>Figure 16 Service composite quarterly [28]</i> .....	57
<i>Figure 17 Service composite [28]</i> .....	57
<i>Figure 18 Arrival composite quarterly [28]</i> .....	58
<i>Figure 19 Arrival composite [28]</i> .....	58
<i>Figure 20 F&amp;B composite quarterly [28]</i> .....	59
<i>Figure 21 F&amp;B composite [28]</i> .....	59
<i>Figure 22 Guest loyalty composite quarterly [28]</i> .....	60
<i>Figure 23 Guest loyalty composite [28]</i> .....	60
<i>Figure 24 Reason for stay [28]</i> .....	61
<i>Figure 25 Attend bus. meetings in hotel facilities (%) [28]</i> .....	61
<i>Figure 26 Overall meeting services provided in 2009 [28]</i> .....	62
<i>Figure 27 Overall meeting services provided [28]</i> .....	62
<i>Figure 28 Event life cycle in general (own graphic composition)</i> .....	64
<i>Figure 29 Time plan checklist (own graphic composition)</i> .....	64
<i>Figure 30 Event information template (own graphic composition)</i> .....	68
<i>Figure 31 Detailed event description (own graphic composition)</i> .....	70
<i>Figure 32 Work breakdown structure (own graphic composition)</i> .....	72
<i>Figure 33 Gantt chart (own graphic composition)</i> .....	73
<i>Figure 34 Seating chart used for setting up the room (own graphic composition)</i> .....	79

**LIST OF TABLES**

<i>Table 1 Project role responsibility chart (own graphic composition)</i> .....	71
<i>Table 2 Seating chart (own graphic composition)</i> .....	79
<i>Table 3 Dinner party timing (own graphic composition)</i> .....	80
<i>Table 4 Breakdown of revenues (own graphic composition)</i> .....	83
<i>Table 5 Total waiters' wages (own graphic composition)</i> .....	83
<i>Table 6 Evening course with live music (own graphic composition)</i> .....	85

## **APPENDICES**

Appendix P I: Statement of work

Appendix P II: Responsibility matrix

Appendix P III: Communication plan

Appendix P IV: Sheraton grand hotel's organizational graph

Appendix P V: Problems experienced in 2009

Appendix P VI: Input data for graphs

## APPENDIX P I: STATEMENT OF WORK

[Project Name] Statement of Work

Project Manager: [Name]

Sponsor: [Name]

### Revision History

Revision date	Revised by	Approved by	Description of change

### Purpose

### Scope

#### Major project activities

- 1.
- 2.
- 3.

#### Out of scope activities that are critical to the success of the project

### Deliverables

### Cost Estimates

#### Cost Type

#### Amount

Labor hours

External costs

Labor (consultants, contract labor)

Equipment, hardware or software

List other costs such as travel & training



**Schedule Overview**

**Estimated Project Completion Date: [mm/dd/yy]**

**Major Milestones**

[Milestone] mm/dd/yy

[Milestone] mm/dd/yy

**External Milestones Affecting the Project**

[Milestone] mm/dd/yy

[Milestone] mm/dd/yy

**Impact of Late Delivery**

**Objectives**

**Stakeholder Analysis**

**Name & Role**

**Major Responsibility or Contribution**

[Name]  
Customer

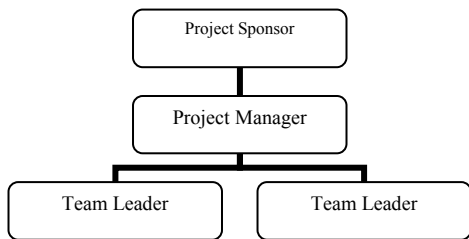
[Name]  
Sponsor

[Name]  
Management

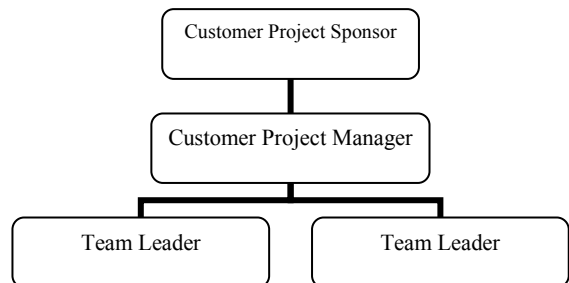
[Name]  
Team

**Chain of Command**

**Project Team**



**Customer Approval Chain**



**Assumptions**

Assumption:

Impact if assumption is incorrect:

## APPENDIX P II: RESPONSIBILITY MATRIX

[Project Name] Responsibility Matrix

Project Manager: [Name]

This matrix describes the level of participation and authority for project stakeholders on major project activities.

- E** Execution responsibility. Stakeholder responsible for getting the work done. Not necessarily a decision maker, but drives the group to make decisions in a timely manner.
- A** Approval authority. Final approval on accepting the outcome of this activity. Makes decisions.
- C** Must be consulted. As work is performed this stakeholder contributes information. Does not make decisions, but is asked for input prior to decisions.
- I** Informed after a decision is made. Wants to stay updated on progress of this activity.

Activity	[Stakeholder Name]	[Stakeholder Name]	[Stakeholder Name]	[Stakeholder Name]	[Stakeholder Name]

## APPENDIX P III: COMMUNICATION PLAN

[Project Name] Communication Plan

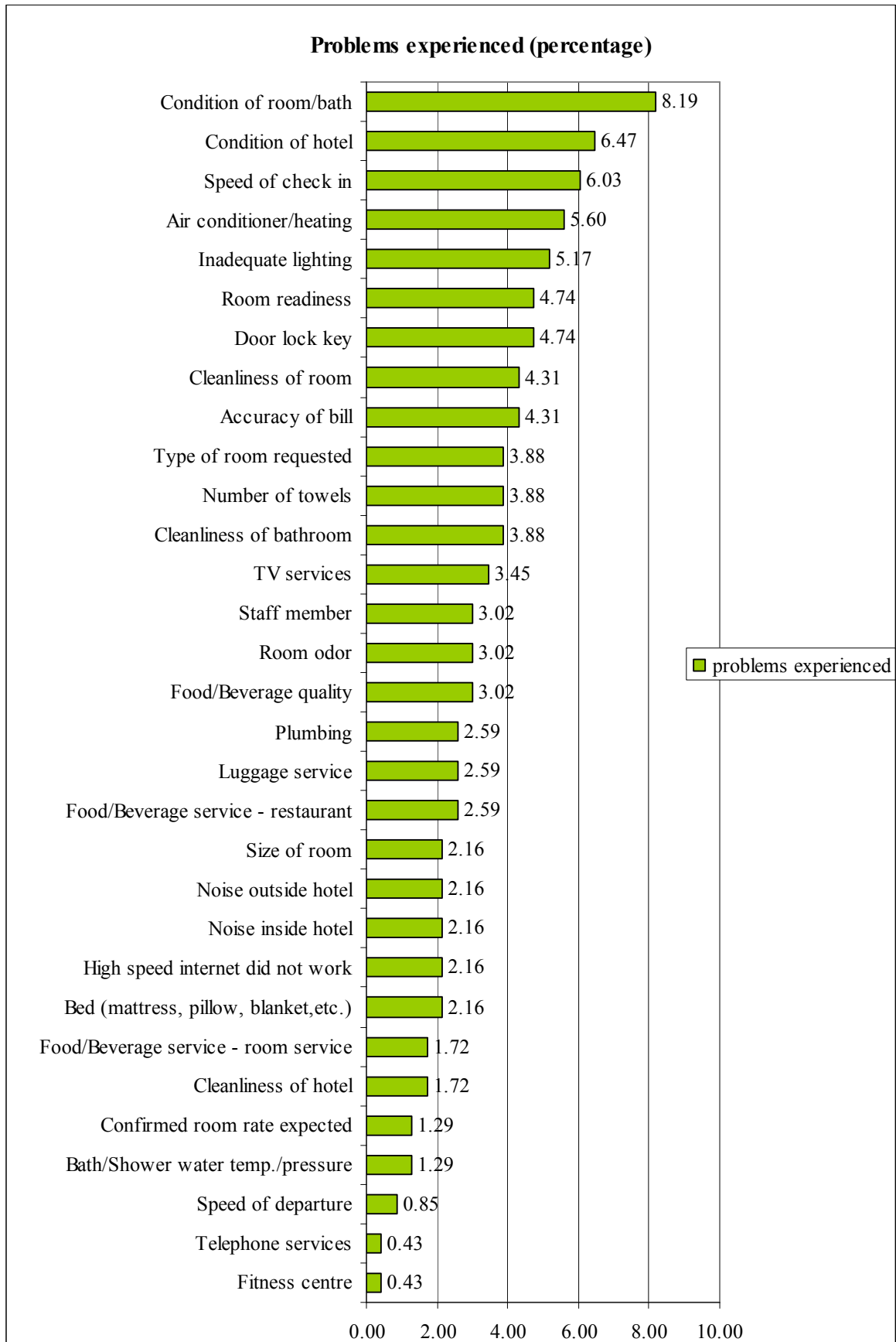
Project Manager: [Name]

This communication plan describes our strategy for keeping the project's stakeholders sufficiently informed to avoid any disappointment regarding cost, schedule, or quality goals.

Stakeholder	Information needs	Frequency	Medium	Response
[name]	<ul style="list-style-type: none"><li>• [type of information]</li><li>• [type of information]</li><li>• [type of information]</li></ul>	[daily, weekly, monthly]	1. [medium 1] 2. [medium 2]	[describe]
[name]	<ul style="list-style-type: none"><li>• [type of information]</li><li>• [type of information]</li><li>• [type of information]</li></ul>	[daily, weekly, monthly]	3. [medium 1] 4. [medium 2]	[describe]



## APPENDIX P V: PROBLEMS EXPERIENCED IN 2009



## APPENDIX P VI: INPUT DATA FOR GRAPHS

### Overall satisfaction quarterly

	OSAT	City Center	EAME
2009 Q1	8.27	8.15	8.14
2009 Q2	8.18	8.19	8.22
2009 Q3	7.98	8.18	8.21
2009 Q4	8.14	8.18	8.19

### Overall satisfaction

	OSAT
August 2008	8.08
September 2008	8.00
October 2008	8.06
November 2008	7.95
December 2008	8.18
January 2009	8.25
February 2009	8.25
March 2009	8.29
April 2009	8.17
May 2009	8.16
June 2009	8.21
July 2009	8.01

### Problems experienced, % Contacted hotel staff and Problem resolution

	Problem experienced (percentage)	Problem resolution (percentage)	% Contacted hotel staff with problem
August 2008	21.15	38.46	59.09
September 2008	20.27	65.00	66.67
October 2008	19.00	46.15	68.42
November 2008	25.00	31.82	73.33
December 2008	20.59	77.78	42.86

January 2009	23.26	58.33	60.00
February 2009	16.23	71.43	56.00
March 2009	18.25	23.81	84.00
April 2009	20.18	50.00	72.73
May 2009	18.99	69.23	65.00
June 2009	20.25	41.67	72.73
July 2009	17.53	64.29	82.35
August 2009	20.00	53.85	56.52
September 2009	28.77	42.31	61.90

### **Composites' goals**

	<b>Physical goal</b>	<b>Service goal</b>	<b>Arrival goal</b>	<b>F &amp; B goal</b>	<b>Guest loyalty goal</b>
August 2008	8.46	8.65	8.74	8.16	8.21
September 2008	8.46	8.65	8.74	8.16	8.21
October 2008	8.46	8.65	8.74	8.16	8.21
November 2008	8.46	8.65	8.74	8.16	8.21
December 2008	8.46	8.65	8.74	8.16	8.21
January 2009	8.46	8.65	8.74	8.16	8.21
February 2009	8.46	8.65	8.74	8.16	8.21
March 2009	8.46	8.65	8.74	8.16	8.21
April 2009	8.46	8.65	8.74	8.16	8.21
May 2009	8.46	8.65	8.74	8.16	8.21
June 2009	8.46	8.64	8.74	8.16	8.21
July 2009	8.46	8.64	8.74	8.05	8.21
August 2009	8.46	8.64	8.74	8.05	8.21
September 2009	8.46	8.64	8.74	8.05	8.21

**Composites' actual results**

	<b>Physi cal actual</b>	<b>Service actual</b>	<b>Arrival actual</b>	<b>F &amp; B actual</b>	<b>Guest loy- alty actual</b>
August 2008	8.36	8.57	8.72	7.93	8.22
September 2008	8.33	8.45	8.55	7.72	8.07
October 2008	8.43	8.54	8.62	8.11	8.14
November 2008	8.24	8.31	8.48	7.94	8.02
December 2008	8.39	8.65	8.66	8.05	8.23
January 2009	8.40	8.71	8.86	8.04	8.33
February 2009	8.44	8.66	8.62	8.12	8.26
March 2009	8.53	8.57	8.78	8.11	8.41
April 2009	8.40	8.72	8.99	7.81	8.10
May 2009	8.11	8.49	8.65	8.24	8.06
June 2009	8.56	8.72	8.88	8.03	8.25
July 2009	8.21	8.50	8.59	8.09	8.03
August 2009			8.38	7.88	7.85
September 2009			8.48	8.19	7.99

**Composites quarterly**

<b>2009</b>	<b>Physical quarterly</b>	<b>Service quarterly</b>	<b>Arrival quarterly</b>	<b>F &amp; B quarterly</b>	<b>Guest loyalty quarterly</b>
2009 Q1	8.47	8.64	8.74	8.09	8.33
2009 Q2	8.36	8.64	8.83	8.03	8.15
2009 Q3	8.28	8.48	8.48	8.07	7.96
2009 Q4	8.37	8.59	8.69	8.06	8.15
	<b>City Cen- ter</b>	<b>City Center</b>	<b>City Cen- ter</b>	<b>City Cen- ter</b>	<b>City Center</b>
2009 Q1	8.5	8.48	8.63	8.02	8.25
2009 Q2	8.54	8.5	8.65	8.06	8.26
2009 Q3	8.57	8.47	8.62	8.06	8.25
2009 Q4	8.54	8.49	8.64	8.05	8.26
	<b>EAME</b>	<b>EAME</b>	<b>EAME</b>	<b>EAME</b>	<b>EAME</b>
2009 Q1	8.52	8.46	8.62	7.98	8.24
2009 Q2	8.58	8.52	8.66	8.07	8.29
2009 Q3	8.61	8.48	8.65	8.04	8.29
2009 Q4	8.57	8.49	8.65	8.04	8.28



**Reason for stay**

	<b>Meet- ing</b>	<b>Leisure w/ spouse</b>	<b>Leisure w/ kids</b>	<b>Leisure w/ group</b>	<b>Leisure w/ friends</b>	<b>Leisure by myself</b>	<b>Busi- ness</b>	<b>Bus. Leisure</b>
2008 Q3	9.69	36.48	7.14	2.30	9.69	5.36	23.47	5.87
2008 Q4	13.33	29.52	2.86	0.63	9.21	5.40	31.75	7.30
2009 Q1	9.59	36.71	4.11	1.16	10.63	4.38	28.49	4.93
2009 Q2	6.25	37.78	4.20	1.40	15.31	8.15	20.00	6.91
2009 Q3	8.76	35.88	8.47	2.54	9.89	4.24	24.01	6.21

**Attend business meetings in hotel facilities (%)**

	<b>Sheraton</b>	<b>City Cen- ter</b>	<b>EAME</b>
October 2008	37.04	20.54	19.99
November 2008	33.33	22.44	21.07
December 2008	23.26	18.72	18.75
January 2009	28.13	17.03	17.57
February 2009	25.76	19.74	19.05
March 2009	27.59	20.15	20.14
April 2009	43.33	20.10	19.12
May 2009	5.66	20.42	19.60
June 2009	23.53	19.94	19.15
July 2009	7.14	16.47	15.71
August 2009	10.81	14.84	12.61
September 2009	30.14	18.69	18.16

**Overall meeting services provided**

	<b>Sheraton</b>	<b>City Center</b>	<b>EAME</b>		<b>Sheraton</b>
2009 Q1	8.15	8.18	8.18	August 2008	9.50
2009 Q2	9.15	8.15	8.16	September 2008	8.54
2009 Q3	8.57	8.21	8.20	October 2008	9.00
2009 Q4	8.56	8.18	8.18	November 2008	7.76
				December 2008	8.00
				January 2009	8.38
				February 2009	7.88
				March 2009	8.33
				April 2009	9.25
				May 2009	9.67
				June 2009	8.92
				July 2009	9.00