

# Risk Management in Event Planning

## Risk Management for Event Planning

Risk is inherent in almost every activity. It surrounds us in our educational, business and personal lives. Learning how to identify, analyze, assess, control, avoid, minimize or eliminate unacceptable risks is a life skill needed by all.

Activities involving or sponsored by Siena College community members generally have risks associated with them; to best ensure appropriate management of those risks, all student club/organization leaders, club advisors and residential life staff are expected to complete this on-line training module.

The module provides an overview of risks, the importance of ensuring an event or activity is in support of the College and club/organizational mission and goals; and provides a step by step overview of how to use the Event Risk Management Planning Guidelines which includes the Risk Factor Analysis Tool and complete the Risk Factor Analysis Worksheet.

Events potentially involving any of the following risk factors (regardless of whether the event is occurring on or off campus) require the completion for the Risk Factor Analysis Worksheet prior to an event being approved by the College.

- a. Alcohol (served or is there a possibility of participants being under the influence)
- b. Minors (participants under 18) or VIPs
- c. Transportation off campus
- d. A contract/signed agreement
- e. Physical activity by any participants
- f. Size of the event > 50 people
- g. Rides/Inflatables/Mechanical Devices
- h. Event occurring outdoors
- i. Sale of any items (food, t-shirts, etc.)
- j. Event is advertised/open to the public
- k. Use of Siena name/logo
- l. Potential of outside media attention
- m. Any type of political activity
- n. Amplified Sound
- o. Animals
- p. Fire/explosives/combustibles

If you have any questions about an event you are considering, you are always encouraged to contact any of the following individuals:

- Director of Student Activities and Leadership Development (TBD)
- Student Affairs Compliance Officer ([Obermayer@siena.edu](mailto:Obermayer@siena.edu))
- College Risk Officer ([lehrensbeck@siena.edu](mailto:lehrensbeck@siena.edu))
- Assistant Vice President for Student Affairs/Director of Public Safety ([mpapdopoulos@siena.edu](mailto:mpapdopoulos@siena.edu))
- Assistant Director of Safety, Public Safety ([tnorray@siena.edu](mailto:tnorray@siena.edu))
- Director of Residential Life ([kbrannock@siena.edu](mailto:kbrannock@siena.edu))

## ONLINE TRAINING MODULE

[Risk Management in Event Planning on-line training for club/organization leaders, advisors and residential life staff](#)

## DOCUMENTS/FORMS

[Event Risk Management Planning Guidelines](#) (includes directions for completing the Risk Factor Analysis Worksheet)

[Risk Factor Analysis Tool](#) (this form must be completed for any event potentially involving any of the following risk factors (regardless of whether the event is occurring on or off campus) require the completion for the Risk Factor Analysis Worksheet prior to an event being approved by the College.) A completed copy of the form must be signed by the director of Student Activities and Leadership Development or designee/supervisor or advisor) and a copy must be provided to the Student Affairs Risk Officer.

### **Risk Factors**

- a. Alcohol (served or is there a possibility of participants being under the influence)
- b. Minors (participants under 18) or VIPs
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[Siena College - 515 Loudon Road, Loudonville, NY 12211](#)

1-888-AT-SIENA (1-888-287-4362) [Contact Us](#)

## 6. Risk Management

It is important to be mindful of safety and security needs when planning an event.

To begin the risk management process, review the **Activity Risk chart** in the [Activity Risk Assessment Manual](#) to see a representative sampling of various types of activities and their risk levels. Review the *low, medium, high* or *extra high* criteria to determine the minimum requirements associated with your plans.

***\*\*This list is not all inclusive of the various risks that you may encounter. If your activity is not represented on the chart, contact Risk Management to identify requirements for your event.***

Complete the **Risk Assessment Questionnaire** in the [Activity Risk Assessment Manual](#). Recognized student organizations should submit this form to the Department of Student & Campus Life for initial review. Risk Management will work with event planners to answer risk management questions and ensure all necessary precautions are taken to minimize risk at your event, including confirmation of adequate activity/event insurance coverage or facilitation of appropriate liability.

***Note: If your event includes more than one activity, your assessment must be based on the one single activity that bears the highest level of risk.***

**Click below for the following resources:**

[Risk Management Resource Materials](#)

Waiver Forms

Activity Risk Assessment Form

Certificate of Insurance Request Form

Special Events Insurance - TULIP Program

Glossary of Insurance Terms

COI: Indemnity and Insurance Requirements

Insurance and Certificate of Insurance Training

International Travel Medical Assistance Enrollment Form

# How to Develop a Risk Management Plan

Edited by Kene, Krystle, CIPHER\_nemo, Jonathan E. and 26 others

*"Denial is a common tactic that substitutes deliberate ignorance for thoughtful planning."*

*Charles Tremper* Developing an effective Risk Management Plan is an important part of any project, but unfortunately, is often viewed as something that can be dealt with later. Issues often do come up though and without a well developed plan, even small issues can become emergencies. There are different types of Risk Management and different uses that include calculating credit-worthiness, determining how long the [warranty](#) on a product should last and calculating [insurance](#) rates. In this document, we will look at Risk Management from the standpoint of planning for adverse events.

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## Steps



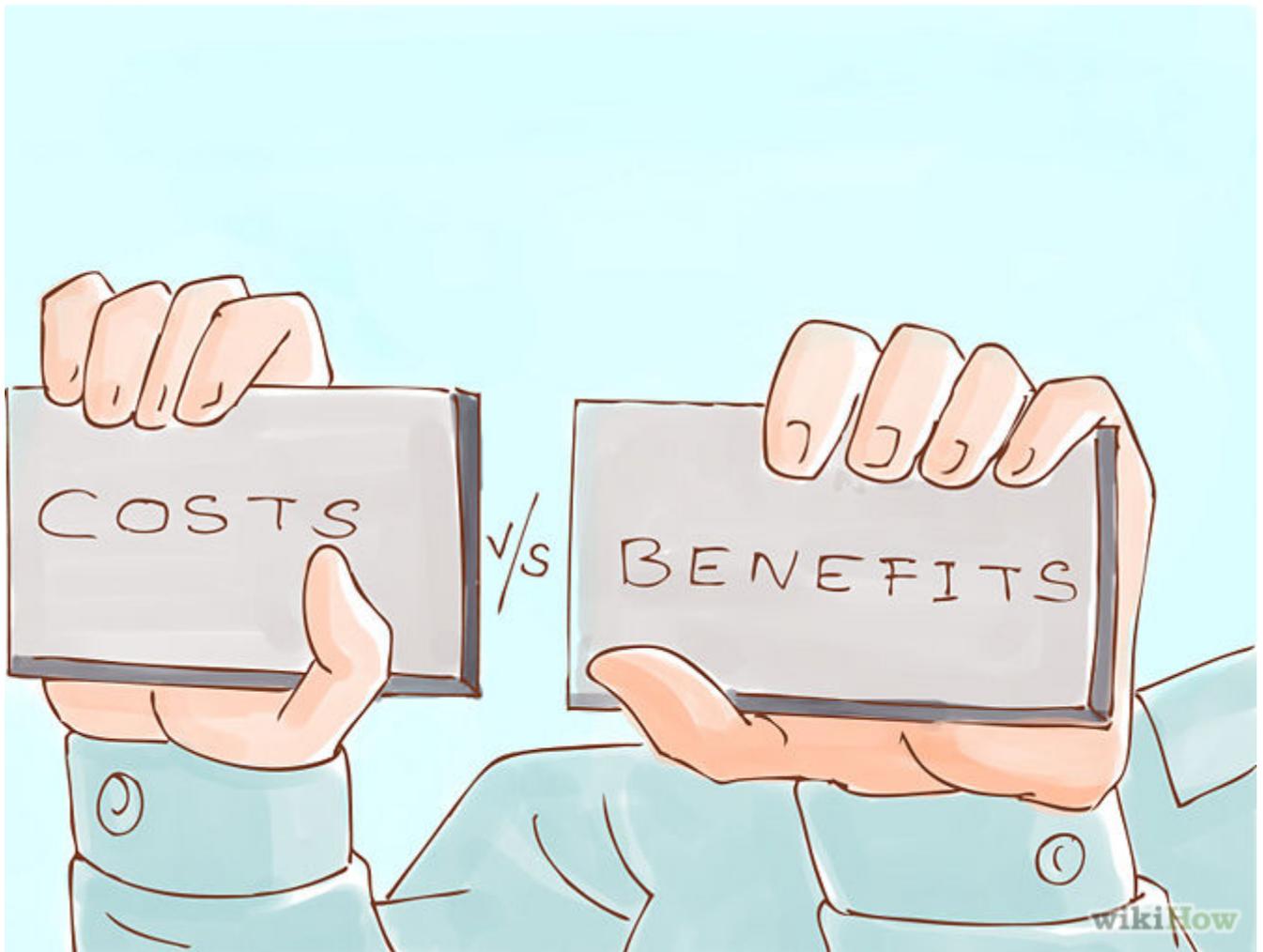
# 1

**Understand how Risk Management works.** Risk is the effect (positive or negative) of an event or series of events that take place in one or several locations. It is computed from the probability of the event becoming an issue and the impact it would have (See Risk = Probability X Impact). Various factors should be identified in order to analyze risk, including:

- Event: What could happen?



- Probability: How likely is it to happen?



- Impact: How bad will it be if it happens?
- Mitigation: How can you reduce the Probability (and by how much)?
- Contingency: How can you reduce the Impact (and by how much)?
- Reduction = Mitigation X Contingency
- Exposure = Risk – Reduction
  - After you identify the above, the result will be what's called Exposure. This is the amount of risk you simply can't avoid. Exposure may also be referred to as Threat, Liability or Severity, but they pretty much mean the same thing. It will be used to help determine if the planned activity should take place.
  - This is often a simple cost vs. benefits formula. You might use these elements to determine if the risk of implementing the change is higher or lower than the risk of not implementing the change.
- Assumed Risk. If you decide to proceed (sometimes there is no choice, e.g. federally mandated changes) then your Exposure becomes what is known as Assumed Risk. In some environments, Assumed Risk is reduced to a dollar value which is then used to calculate the profitability of the end product.

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## 2

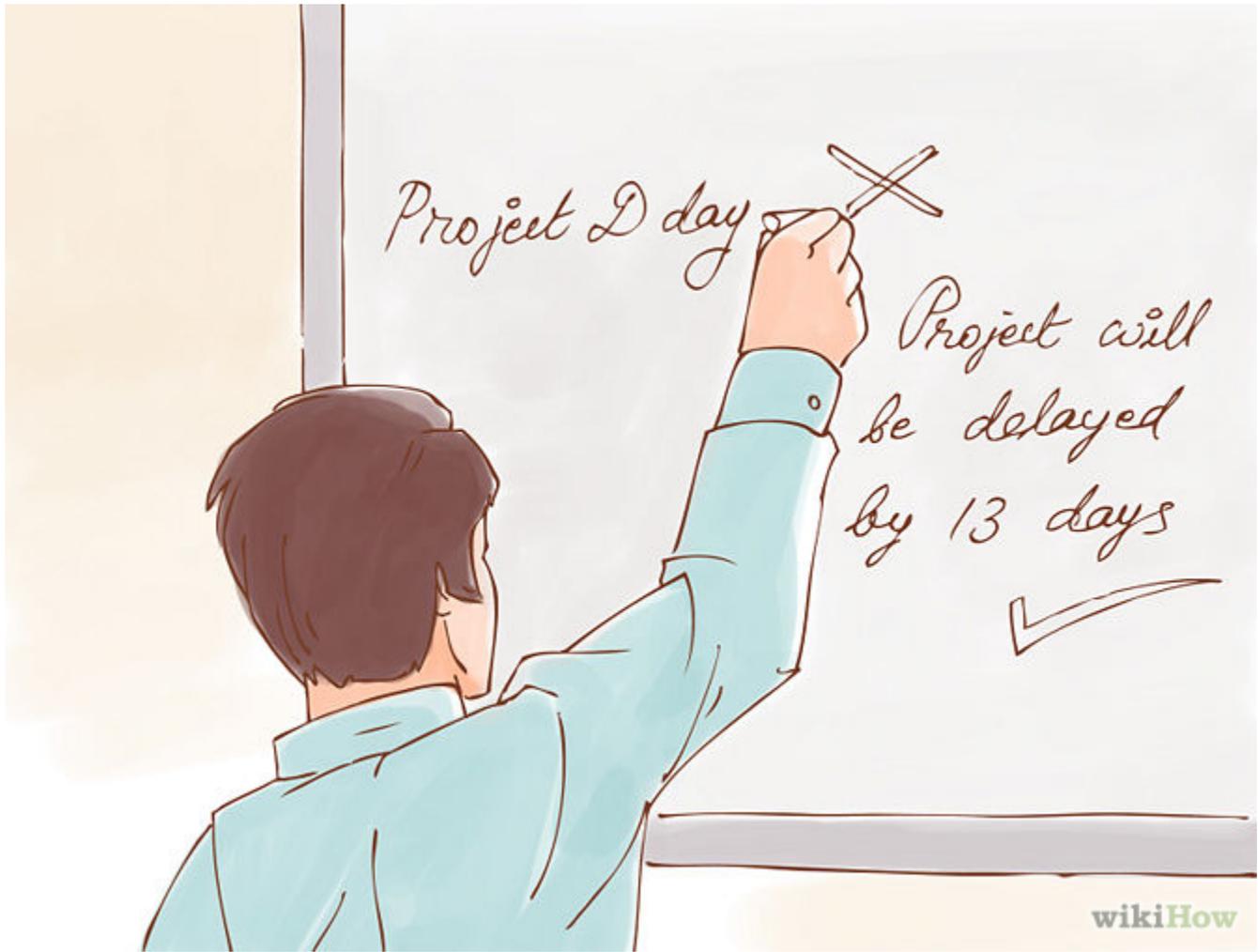
**Define your project.** In this article, let's pretend you are responsible for a [computer system](#) that provides important (but not life-critical) information to some large population. The main computer on which this system resides is old and needs to be replaced. Your task is to develop a Risk Management Plan for the migration. This will be a simplified model where Risk and Impact are listed as High, Medium or Low (that is very common especially in Project Management).



3.

### 3

**Get input from others.** [Brainstorm](#) on risks. Get several people together that are familiar with the project and ask for input on what could happen, how to help prevent it, and what to do if it does happen. Take a *lot* of notes! You will use the output of this very important session several times during the following steps. Try to keep an open mind about ideas. "Out of the box" thinking is good, but do keep control of the session. It needs to stay focused and on target.



4.

## 4

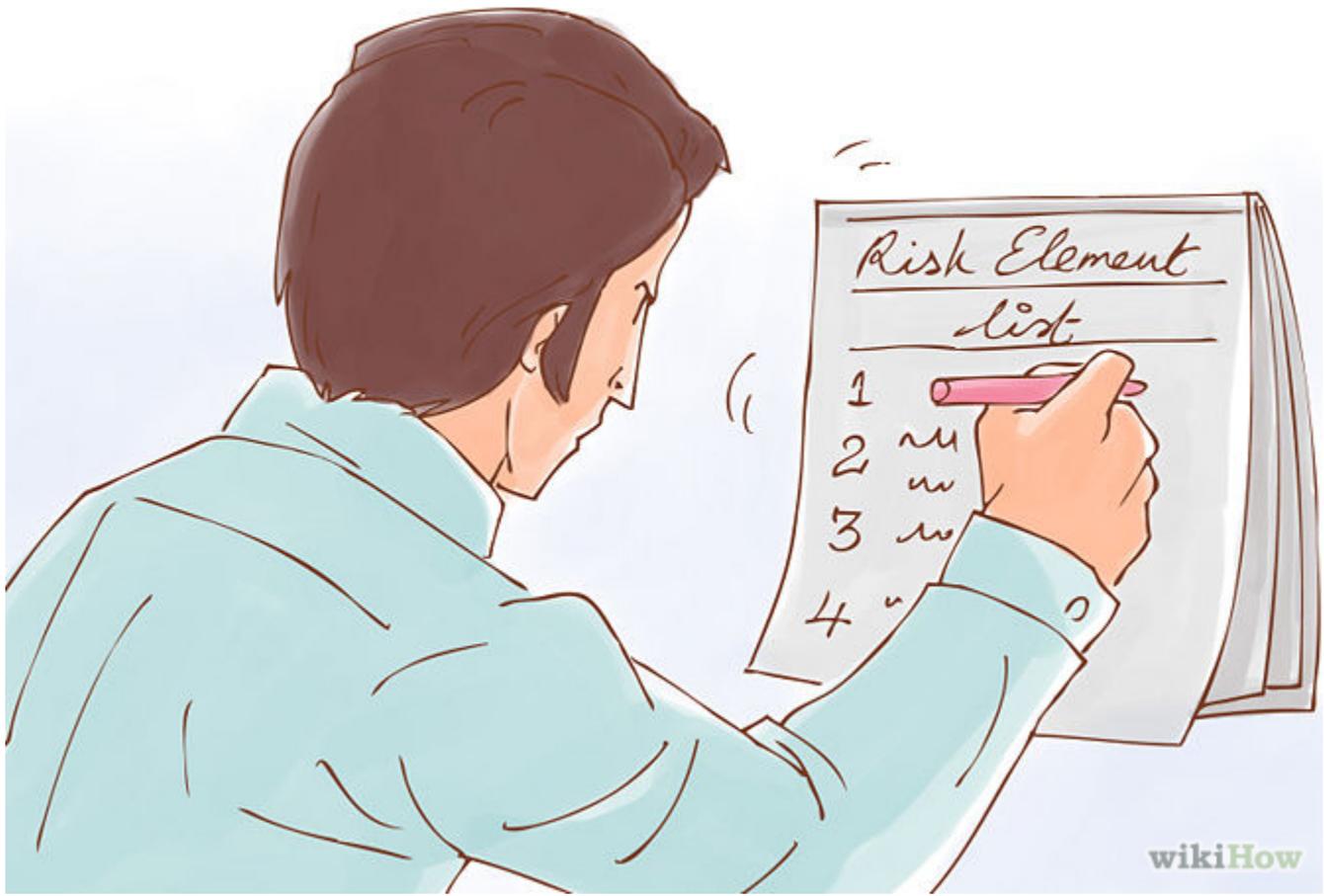
**Identify the consequences of each risk.** From your brainstorming session, you gathered information about what would happen if risks materialized. Associate each risk with the consequences arrived at during that session. Be as specific as possible with each one. "Project Delay" is not as desirable as "Project will be delayed by 13 days." If there is a dollar value, list it; just saying "Over Budget" is too general.



5.

## 5

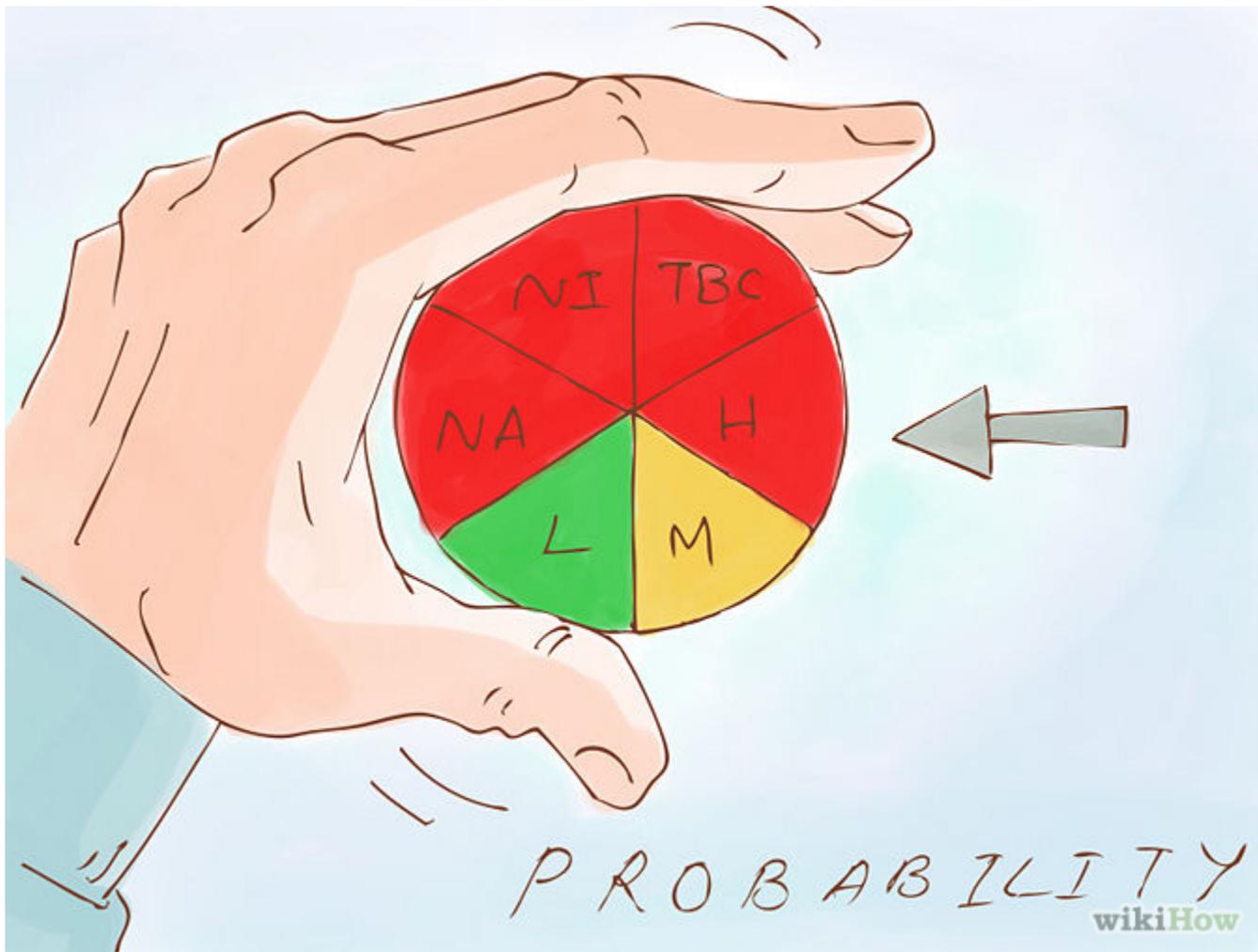
**Eliminate irrelevant issues.** If you're moving, for example, a car dealership's computer system, then threats such as nuclear war, plague pandemic or killer asteroids are pretty much things that will disrupt the project. There's nothing you can do to plan for them or to lessen the impact. You might keep them in mind, but don't put that kind of thing on your risk plan.



6.

## 6

**List all identified risk elements.** You don't need to put them in any order just yet. Just list them one-by-one.

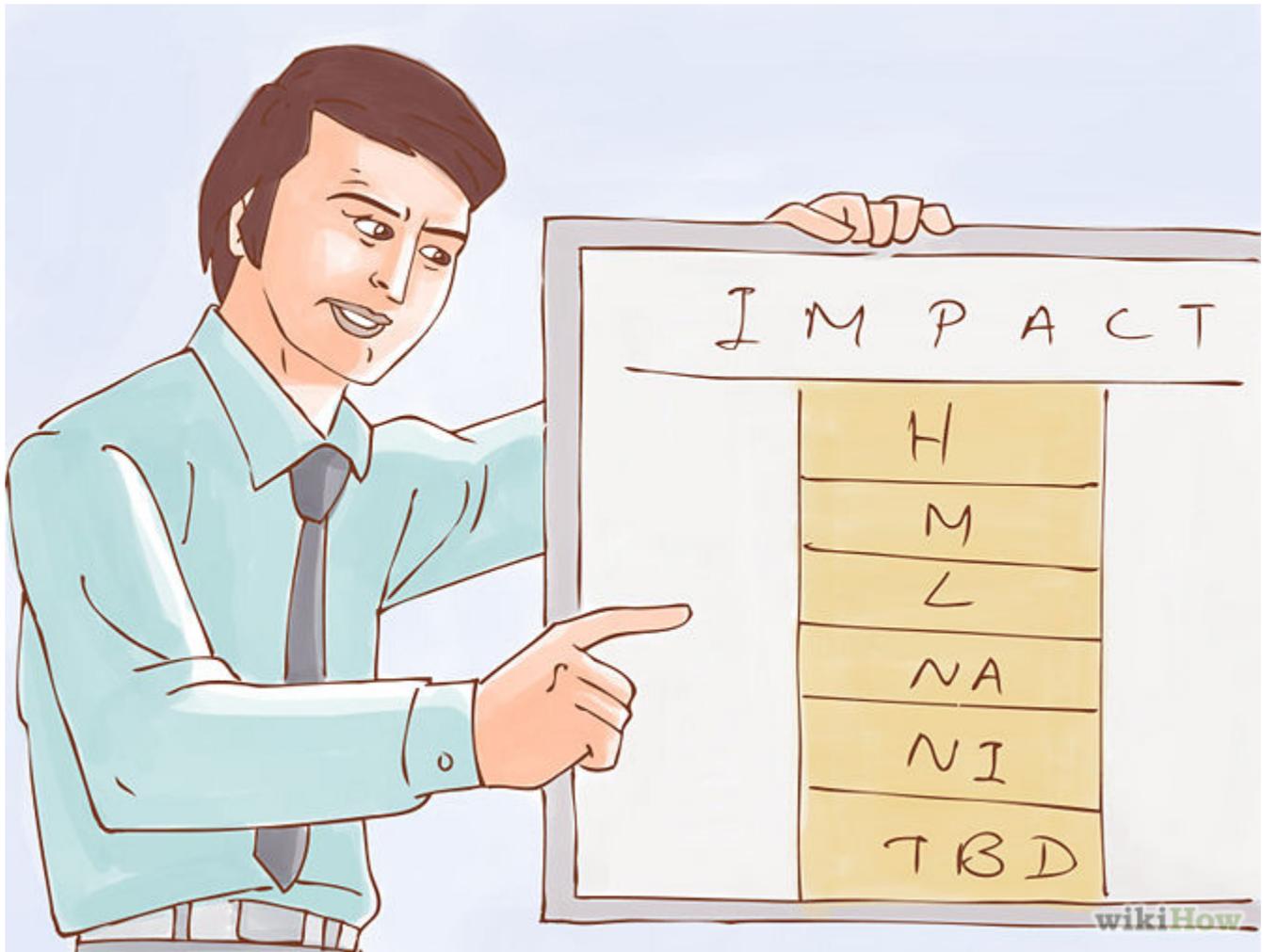


7.

## 7

**Assign probability.** For each risk element on your list, determine if the likelihood of it actually materializing is High, Medium or Low. If you absolutely have to use numbers, then figure Probability on a scale from 0.00 to 1.00. 0.01 to 0.33 = Low, 0.34 to 0.66 = Medium, 0.67 to 1.00 = High.

- Note: If the probability of an event occurring is zero, then it will be removed from consideration. There's no reason to consider things that simply cannot happen (enraged T-Rex eats the computer).



8.

## 8

**Assign impact.** In general, assign Impact as High, Medium or Low based on some pre-established guidelines. If you absolutely have to use numbers, then figure Impact on a scale from 0.00 to 1.00 as follows: 0.01 to 0.33 = Low, 0.34 – 0.66 = Medium, 0.67 – 1.00 = High.

- Note: If the impact of an event is zero, it should not be listed. There's no reason to consider things that are irrelevant, regardless of the probability (my dog ate dinner).



9.

## 9

**Determine risk for the element.** Often, a table is used for this. If you have used the Low, Medium and High values for Probability and Impact, the top table is most useful. If you have used numeric values, you will need to consider a bit more complex rating system similar to the second table here. It is important to note that there is no universal formula for combining Probability and Impact; that will vary between people and projects. This is only an example (albeit a real-life one):

- **Be flexible in analysis.** Sometimes it may be appropriate to switch back and forth between the L-M-H designations and numeric designations. You might use a table similar to the one below.



10.

## 10

**Rank the risks:** List all the elements you have identified from the highest risk to the lowest risk.



11.

# 11

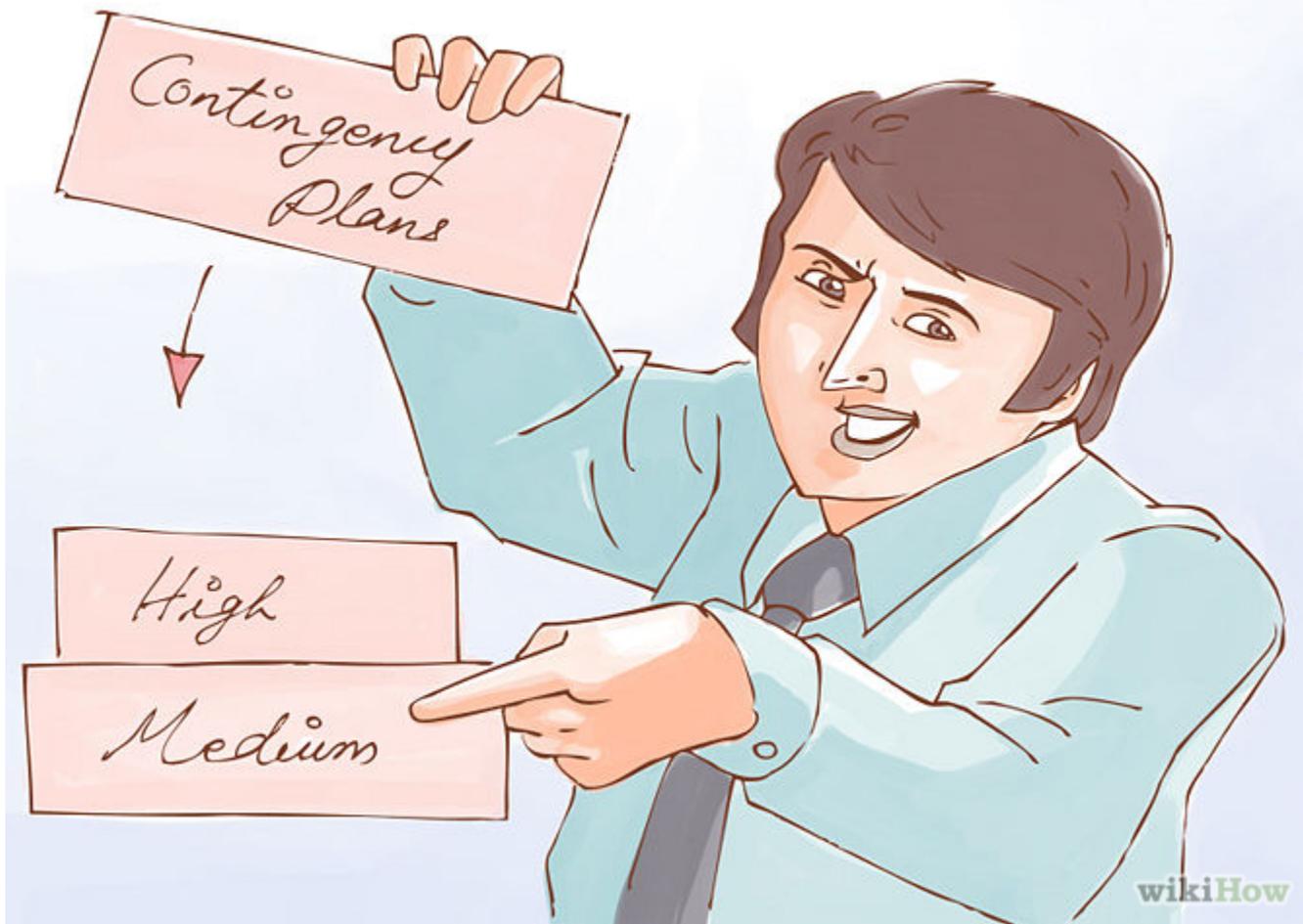
**Compute the total risk:** Here is where numbers will help you. In Table 6, you have 7 risks assigned as H, H, M, M, M, L, and L. This can translate to 0.8, 0.8, 0.5, 0.5, 0.5, 0.2 and 0.2, from Table 5. The average of the total risk is then 0.5 and this translates to Medium.



12.

## 12

**Develop mitigation strategies.** Mitigation is designed to reduce the probability that a risk will materialize. Normally you will only do this for High and Medium elements. You might want to mitigate low risk items, but certainly address the other ones first. For example, if one of your risk elements is that there could be a delay in delivery of critical parts, you might mitigate the risk by ordering early in the project.



13.

## 13

**Develop contingency plans.** Contingency is designed to reduce the impact if a risk does materialize. Again, you will usually only develop contingencies for High and Medium elements. For example, if the critical parts you need do not arrive on time, you might have to use old, existing parts while you're waiting for the new ones.



14.

## 14

**Analyze the effectiveness of strategies.** How much have you reduced the Probability and Impact? Evaluate your Contingency and Mitigation strategies and reassign Effective Ratings to your risks.



15.

## 15

**Compute your effective risk.** Now your 7 risks are M, M, M, L, L, L and L, which translate to 0.5, 0.5, 0.5, 0.2, 0.2, 0.2 and 0.2. This gives an average risk of 0.329. Looking at Table 5, we see that the overall risk is now categorized as Low. *Originally the Risk was Medium (0.5). After management strategies have been added, your Exposure is Low (0.329). That means you have achieved a 34.2% reduction in Risk through Mitigation and Contingency. Not bad!*

16.



## 16

**Monitor your risks.** Now that you know what your risks are, you need to determine how you'll know if they materialize so you'll know when and if you should put your contingencies in place. This is done by identifying Risk Cues. Do this for each one of your High and Medium risk elements. Then, as your project progresses, you will be able to determine if a risk element has become an issue. If you don't know these cues, it is very possible a risk could silently materialize and affect the project, even if you have good contingencies in place.

<http://www.wikihow.com/Develop-a-Risk-Management-Plan>

## Risk Management Plan for Events

An event is full of uncertainties like power failure, equipment failure, medical emergency, brawl, stampede, fire, sponsorship withdrawal, last minute turned down by an artist etc. How will you deal with all these contingencies without a well thought out risk management plan. Risk management is done at each and every stage of event production. For e.g. when risk management is done in the information management field, then it deals with loss of data due to data theft or hard disk crash. When risk management is done in the security management field, then it deals with brawl, stampede, medical emergency, accidental fire etc. Similarly there are risks associated with: human resource, finance, marketing, quality management, attendees, food and beverages management, programs, technical management, infrastructure, logistic, procurement and team management.

### Developing Risk Management Plan for Events

Since risk management is a very important part of event management therefore it should be carried out in a planned and professional manner. Following steps are involved in risk management:

**Step 1: Identify those elements or activities which could carry a risk.**

A list of such elements is already specified above like information management, security, procurement etc.

**Step 2: Identify the risks associated with each element or activity.**

For e.g. cargo theft is associated with logistic management. Similarly, data loss is associated with information management.

**Step 3: Determine the possibility of occurrence of the risk and the severity of the consequences if the risk does happen.** For e.g.

Elements	Risk	Possibility	Severity
Information Management	Loss of data	Low	Very high
	Data theft	High	High
	Data Corruption	Very high	Very high
Security Management	Brawl	Low	Low

**Step 4: Risk Prioritization**

Risks with high severity of the consequences should be handled first.

**Step 5: Formulate, prepare and implement strategies to manage risks.**

Some common strategies used for risk management are:

**\*Risk Avoidance**

Avoid those elements and activities which could carry a risk.

**\*Risk Retention**

Accept some or all the consequences associated with a particular risk.

**\*Risk Transfer**

Transfer the risk to a third party. For e.g. transferring the event security responsibility to a security agency.

**\*Risk Reduction**

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

**Step 6: Monitor the risks periodically**

so that the strategies used to manage the risks can be updated or reviewed.



<http://www.eventeducation.com/risk-management-events.php>

# Managing Special Event Risks

By Joe Risser and Melanie Lockwood Herman



*Note: This article is excerpted from a forthcoming publication from the Nonprofit Risk Management Center: Managing Special Event Risks: 10 Steps to Safety—2nd Edition. The book will be available for purchase in September. For more information, or to pre-order a copy, [click here](#).*

Summer is here! Like predictable summer storms, high temps and visiting relatives, nonprofits from coast to coast are planning and presenting a wide range of special events. With our children home from school, workaholics taking much needed time off, and the stress of poor economic conditions affecting everything we do, many nonprofits are moving forward with special events as a way to raise awareness about vital causes and raise funds to cover some of the costs of service delivery.

Well-planned and executed special events can bring positive publicity, new donors and an infusion of cash to a nonprofit. But events that don't integrate sound risk management can spell disaster for both the mission *and* the future of a nonprofit.

In *Managing Special Event Risks* we discuss "ten steps to safety" as a way of providing practical guidance on the planning and staging of a special event. The steps give a framework for the planners to follow to prevent and manage risk as well as finance losses associated with special events. This article explores the first two of these vital "steps."

## **STEP 1—Establish Goals**

The first step in the development of a special events risk management program is to identify the organization's purpose in creating and sponsoring the event and to ensure that:

the purpose and execution of the special event advance the mission of the organization. This can happen by providing service to the community (e.g. a blood drive), increasing awareness of the organization and its goals, raising funds for the achievement of those goals or a combination of these purposes.

the special event and its activities are mission-appropriate. If something goes wrong at your event, the media coverage and community response to the event should not be "What were they thinking?"

the organization has the resources and the skills to create and manage the special event. TIP: failure to plan = planning to fail.

Once you have established the overall purpose and goals of the special event and have confirmed that it will advance the nonprofit's mission and is mission-appropriate, you should identify event specific risk management goals. These may include:

Prevent injury—including injuries to staff, spectators, participants and others—in the activity and ensure rapid, effective and appropriate response to any injury.

Operate legally and in compliance with agreements with facility owners and service providers.

Reduce the cost of insurance and avoid jeopardizing eligibility for insurance coverage.

Meet financial goals—for many nonprofits a key goal of special events is to generate net income that can be used for mission fulfillment.

Avoid event cancellation—for example, an event planned by a nonprofit may be key to sustaining interest in a particular cause. Canceling the event could be disastrous to an ongoing advocacy effort or cause unnecessary ill will among stakeholders.

Fulfill social responsibilities—risk management is sometimes perceived as part of a nonprofit's responsibility in offering programs which meet community needs.

Reduce anxiety about risk—many nonprofits look at sound risk management practices as one way to manage the anxiety about mishaps that may be expressed by dedicated staff, board members and community members.

By determining your risk management objectives before undertaking a special event, you can guide the process of planning and managing the event to increase the odds of success on many levels.

## **STEP 2—Organize to Manage the Special Event and Assign Key Functions**

People are the key to success for most nonprofit programs, including special events. Organizing a team is a big step to ensure a successful event. Irrespective of how a team is organized, it is important to remember that each member of the group should view themselves as a team member.

The organizational structure used successfully for emergency response operations provides a simple and responsive functional model for a special events management team:

### **Special Event Director**

Overall leadership, responsibility, direction and control of the special event

Public Information—Media

Liaison—communication & coordination with representatives from other entities

Safety for entire event, all operations

### **Operations Coordinator**

Services and activities involving attendees and participants

Food, beverages, seating, lighting, communications

Sanitation, trash, restrooms

### **Safety Coordinator**

Risk management, emergency response, evacuation, rain or rescheduling/relocation planning and coordination

Incident and status reports during event, post-event evaluation

### **Logistics Coordinator**

Contracting with vendors providing supplies and services

Coordinating services for event staff and volunteers

### **Finance Coordinator**

Registrations, sales and donations

Insurance claims reporting and coordination



For a small event or activity all five functions can be managed by a person or two. For larger events, each of the primary functions should be assigned to a member of the special event management team. As a special event increases in size and complexity, additional people should be assigned specific tasks.

Creating a special events management team has the benefit of focusing on the planning and management of the special event and establishing who is specifically responsible for each function. Important information regarding the planning or management of the event can be handled by the team. This can be critical in emergency situations that require decisive action.

This structure is referred to as the "Incident Command System." [More information is available on this topic.](#)

While some large nonprofits have a fulltime risk manager, most small to mid-sized agencies use a team approach to identify and control risks in their day to day operations and special events. This approach has advantages when people from different units become advocates for safety. The likelihood of spotting hazards increases when more than one person is involved in the effort.

Managing special event risks requires equal measures of awareness, planning, diligence and team work. The time spent on this aspect of your special event is certain to contribute to the event's success and the favorable reputation your nonprofit enjoys in the community it serves.

<http://www.nonprofitrisk.org/library/articles/rmbasics060709.shtml>

## Risk management tips for nonprofit event planning



When planning an auction, community festival, performance, dinner or other type of [nonprofit fundraising](#) event, it's important to be as prepared as possible. In addition to coordinating all the components that make up an event, such as invitations, food service and entertainment, it's essential to prepare for potential just-in-case scenarios.

In addition to having the right [donation management software](#) and fundraising management technology to secure transactions, it's important to take other precautionary measures to ensure the event is a success.

The NonProfit Times highlights several scenarios that should be considered when planning a fundraising event. They include:

A keynote speaker cancelation

Event location staff strike or boycott

A vital event planner abandons the project or cannot attend the event

A natural disaster occurs

Security issues arise with guests

While it may not be likely that any of these potentially dangerous situations occur, if one does, the organization hosting the event risks putting donations, dedicated followers, staff devotion, safety and credibility on the line.

### Six just-in-case steps

Sometimes, risky situations are unavoidable. However, a well-prepared nonprofit can guarantee it has the tools to react quickly and eliminate or reduce the effects of certain happenings. EventEducation.com, a resource provider for event planners, outlines the steps hosts should take to mitigate risks:

1. **Identify potential risks:** It's important to make a list of all negative scenarios that could occur at the event. Decision-makers should consider risks within the following departments: human resources, finances, marketing, attendance, food and beverage service, technology, infrastructure and event scheduling.
2. **Determine consequences:** Why are these scenarios risky? Write out the short- and long-term effects of each situation. For example, a small fire could immediately jeopardize attendees' safety and compromise the organization's reputation in future.
3. **Weigh the possibility of each event occurring:** Looking at the root cause of each risk will help decision-makers better formulate back-up plans. For example, by measuring the likelihood of something negative occurring, nonprofits can decide whether to hire more security professionals or store backup equipment nearby.
4. **Prioritize risk mitigation:** After determining the likelihood and severity of each scenario, determine which should be prioritized. This is especially important for nonprofits on a strict budget.
5. **Make a plan:** EventEducation.com states there are several elements of risk management strategies. They include risk avoidance; retention, containing damage once something occurs; transfer, asking a third party – like security officials – to take over; and reduction, creating a contingency plan.
6. **Keep your guard up:** The final step is delegate risk mitigation throughout the event and look for anything that could become cause for concern.

Post navigation

← [Volunteer management tips to engage all generations](#) || [Tapping donors' motivation for giving](#) →

<http://allegiancesoftware.com/nonprofit-industry-news/nonprofit-fundraising/risk-management-tips-for-nonprofit-event-planning/>