

**Development Process for Exclusive Events Start-up Business**  
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## **Development Process for Exclusive Events Start-up Business**

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This thesis is about an Events Management startup business, Exclusive Events, set to be established in Nairobi Kenya by the author for this report. The startup business shall provide event management services to different clients with different needs comprising; individuals, private companies, and public companies and the public. The current situation for the case business is that it has not developed guidelines for its operations, hence the need to write this thesis by the author, who shall be the founder of the new business.

The author of this thesis has developed main problem questions to guide the development of the case business. The first problem is to discuss and design a business model and value chain model, and to discuss general information about event management business in Kenya, since the startup shall be established in Kenya. Information has been accessed from online sources and published sources and from author idea to develop a business venture. Theoretical detail for this thesis about Business model canvas, SWOT analysis, risks management, business ethics and social responsibility, and value chain discussion, have contributed to the main topic for this thesis, which formed the basis for developing a model for the case business.

Concluded result is that the case startup shall be in a better position to begin operating, through guidance by the business canvas designed for its operations in this thesis. Development of the model for operation in this thesis shall be continuous, relative to arising needs for Exclusive Events business. Moreover, the case business has enough capital to begin operation on small scale, however, in the future as the business expands, it shall have to reconsider taking a loan for expansion or acquiring partners to invest in capital funding for its event planning activities. Furthermore, there is need to future research for event management business in Kenya, because information available about events management business is scarce, and that various information about event management is focused on tourism events, which the startup business shall not venture into. Researched information shall enable the case business to be aware of the nature of the business it intends to specialize in.

Key Words: event management, business model, startup business.

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## **Introduction to research**

This thesis report shall discuss about development for an event management business, that shall be launched by the author for this report. The business shall be named Exclusive Events. The author intends to Establish the startup business in Nairobi city, at Westlands location.

The case business shall provide event management services to its target customers, mainly comprising private personalities, private businesses, public organizations and the public. Moreover, Exclusive Events startup shall collaborate with customers for events to generate ideas from personal preferences, to make events memorable and different for each client. Since technology is ever changing, the startup shall try its best to use new technology for its events to stay up to date in provision of event planning services.

Discussions for business development and design for business model canvas for Exclusive Events, shall guide the founder to identify crucial needs and government expectations according to Kenyan law for establishing new business, to be achieved for the startup before launching. Moreover, a developed business canvas for Exclusive Events business in this discussion shall enable the business to plan techniques for operations, achievable by actions for doing business differently from its competitors, and to shield the business from threats.

Several observations have influenced the decision to establish the business in Kenya. The Kenyan economy is still under progression, new businesses and government projects are launched progressively. Blog information by [ispaceafrica.com](http://ispaceafrica.com) (2012), encourages aspiring business persons intending to open event management business in Kenya, by concluding that management industry in Kenya has not been fully exploited as a profession, moreover, most event planners are believed to major in other professions like entertainment.

### **Problems for discussions to development for Exclusive Events startup business**

1. The author needs to develop a business model for the event planning business.
2. The author needs to discuss how the business shall create value perception to its target market.
3. The author shall discuss how the business shall maintain its stability by discussing how the business shall achieve ethics outline and plan for threat control.

## **1.1 Expectations for results from thesis discussion**

The outcome for this thesis development shall produce a developed designed model for the startup business to guide in operations by; specifying needs for the new business, threats and solutions to threats, outlining technique for operations and techniques to fight competition. Financial budget shall enable the startup to estimate the startup costs it shall incur during establishment, moreover, this thesis shall discuss source of capital to the startup business. Theory discussion shall give foundation for development for the case business in the practical discussion section.

## **1.2 Guidance for research**

This research shall focus mainly on discussing the development process for an event management business, named Exclusive Events, and discuss history for event management in general, moreover, about event management business in Kenya. The author shall not discuss in depth about categories of event management profession and about other aspects in Kenya in general like political discussion, to avoid missing the point for this discussion.

### 1.3 Key Concepts used in thesis discussion

#### **Business Model**

According to Bruce and Duane (2008;162); Ostewalder and Pigneur (2010,15), a business model is a representation for a business in simplified design, describing structure for a business in terms of; operations and policies within a business organization.

#### **Event Management**

John (2015, para.2); Silvers (2001-2016, sec.2 para 2) define event management as a process for foreseeing the flow of activities for an event by allocating resources, managing time, planning venue requirements and executing duties for an event, by professional event personnel.

#### **Startup Business**

According to Robehmed (2013 para.1-13) definition, a startup is a young business that has been developed from idea to identify market needs and presenting solutions to meet market demands, with unlikely guarantee for success in the market.

### 1.4 Structure for thesis report

The author for this report has summarized the structure for this thesis in diagram as shown in the Figure 1 below. Moreover, the author for this thesis discussion has developed discussions from accessing online information, academic published books, and from personal idea to develop the case business in this discussion as a future career.

The beginning part of this thesis is the introduction, giving background information about thesis report development and motivations for developing this thesis. The second part introduces the case business linked to this research. Afterwards, the author introduces the industry that the case startup shall specialize to provide services, moreover makes discussion about the host country for the case business and motivations for choosing host country for establishing the startup. Proceeding the discussion, the author discusses in theory about development for startups, SWOT analysis for new businesses, business ethics and social responsibility, risk management to startup business, business model canvas development. Furthermore, the author makes practical discussions for the case business relating to the theoretical information discussed. Additionally, the author designs a business model and a value design for the case business in the practical discussion part for developing the case business.

Proceeding the discussion for this thesis, information about startup budget and revenue is discussed as well as conclusions for findings, which also indicate possible recommendations for further development for this thesis discussion. The author finalizes this thesis by indicating a list for references, a list for figures, a list for tables, and an appendices section for additional support information for this thesis report.





Figure 1: Structure for thesis discussion

## 2 Exclusive Events startup background information

The case business, Exclusive Events startup business has been developed from the author motivation to create self-employment. The business shall be owned by the owner who shall be responsible for all losses and profits generated by the startup. The startup business shall be established in Nairobi, Kenya.

The startup business shall offer event planning services to its target market comprising of; individuals, private businesses, public organizations and the public. Services to be offered by the startup business for event planning shall comprise;

- Businesses events; like marketing and launching products
- Individuals events; weddings, birthday parties, anniversaries, graduation party
- Events for the public example; entertainment music concerts, camping events
- Events for public organizations like the government for instance business forums for government and stakeholders

### 2.1 Vision for the business

Exclusive Events startup aims to accomplish constant success in the future years of operations by setting realistic goals and covering milestones in operation. For the business to accomplish its future aspirations, the management commitment and employee motivation shall enable goal accomplishment.

The startup business has set goals to achieve over predicted time in the future. In the short term, the startup shall focus to establish its name by providing event management services within Kenya, by extending its services throughout the nation. After several years of operations, the startup shall aim to extend its services to other countries, first by opening branches within the East Africa region. Upon successful establishment at the opened branches in East Africa region, later the startup shall consider expansion by establishing more business branches at international countries.

### 2.2 Culture for Exclusive Events startup

The startup business shall conduct its operations by observing acceptable moral standards and by offering high quality services to its client. To achieve its mission, the startup business shall employ qualified staff who shall also be trained by the human resource manager. Moreover, the startup shall implement business policies based on good moral value. The startup shall hire employees with good conduct report from the local authorities, to be able to achieve ethics while serving customers.

Values for the business shall be achieved through management being the role model to the entire organization by operating with integrity, honesty, allowing open communication, criticism and evaluations for improvements. Employees shall be expected to undertake their duties with honesty, professional code of conduct for the startup being; politeness, punctuality, being organized, working while not under the influence of substance like alcohol. Employees shall be encouraged to improve their working skills by being allowed to enroll for paid training seminars for event planning, receiving awards for best performance and by the management team holding occasionally training sessions for employees to the startup. Moreover, employee rights shall be safeguarded by ensuring they have a platform for expressing their views without feeling judged. The management for the business shall avail a suggestion box at the office, which employees can drop notes for complaints or suggestions anonymously. The management team together with the human resource department, shall

then discuss the information based from the suggestion box, and implement best solutions to make the business environment and working condition more appealing to the staff and to the clients, to improve general outlook towards the startup.

During executing duties, team work shall be encouraged by assigning tasks requiring more time input or research to enable successful results. Furthermore, employees shall have an opportunity to work at individual levels but on occasional basis report to the entire staff about the progress for their assigned projects. Discussions for projects shall facilitate exchange of ideas and recommendations for solutions to problems.

Social responsibility actions shall involve collaborating with communities to discuss best possible solutions to limit damaging impacts for the business towards the environment. The startup shall also ensure cleanliness of event venues is taken care of after completion of an event to maintain a neat environment. The business shall also register for ISO certification to ensure all its operations are assessed by a professional audit company and solutions to environmental risks by the business are achieved.

### **2.3 Mission for Exclusive Events startup**

The startup business intends to provide excellent services to its clients. To ensure quality services, the startup shall have constant follow-up and discussion with event hosts about preferences for events they like to have. Furthermore, the discussions shall give clients a platform to explore their preferences for events they like, by collaborating with the event planners from the startup to design personalized event themes. The startup shall also keep track of new changes in events business to attract clients by keeping updated use of technology for planned events.

The startup business aims to be a best option for clients to consider for hiring to plan their events within Kenya. To establish the business name, the startup shall focus its operations on designing quality and personalized events for each of its clients. Additionally, the startup shall market itself constantly to create awareness for its services to customers. Marketing shall be achieved through different means like by word of mouth from sales representatives from the startup, by business card distributed to passersby the business premise occasionally, by advertisements on social media after establishing the business social media cites like Facebook and Instagram, additionally, by distributing brochures with details about the startup to pedestrians within Nairobi.

### **2.4 Startup personnel structure for Exclusive Events**

The top level for the organization structure shall be the general management to the business, which shall that oversees all activities and processes for the business, by working closely with the human resource department to ensure smooth flow of activities for Exclusive Events startup. Each department shall work independently but communicate frequently to other departments about programs and ongoing projects and decisions, to facilitate smooth flow of activities within the business organization and for easy decision-making process. The main departments for the startup shall be the management, both general and human resource management, including the staff and the risk management team selected amongst the employees, also comprising a representative from local authority. The stakeholders shall be external parties interested in the business activities who have influence over business decisions and contribute to activities for the startup.

At the beginning, the startup shall have the general manager who is also founder to the business, a human resource manager, three event planning personnel and an accountant. When workload for event planning services exceed the ability for the staff or incase for increased demand for events occasionally, the startup business shall outsource staff from

other event organizations at an agreed fee, to be able to accomplish execution for duties on time.

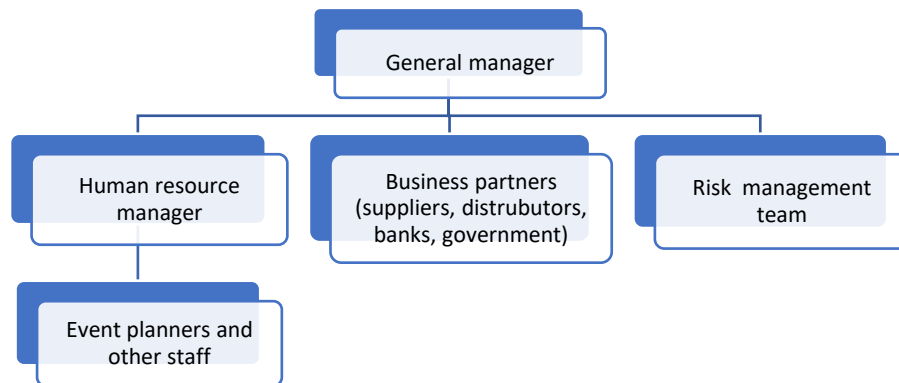


Figure 2: Employee structure for Exclusive Events Startup upon establishment

### 3 Event management introduction and doing event business in Kenya

#### Events business information

According to conclusions drawn for event planning profession from Kear (2015); Media staff, Inc. & Kimball (2015; 8), event management has been present over decades practiced unofficially until between 19<sup>th</sup> and 20<sup>th</sup> century, event planning services became formalized as a profession when people began hiring services from business persons to manage planning for their events. The industry for events is known to have grown as a result for globalization for business activities and industrialization.

Innerspace Africa (2012, para. 1 and 2) discuss that event Management in Kenya has been practiced for decades and performed excellently. Customers served for event planning in Kenya comprise private companies for official events and individuals for personalized and casual events. Innerspace Africa recommends for sufficient knowledge for events by entrepreneurs in the profession since competition is high, and encourages entrepreneurs interested in event management to venture into the profession, as most people are believed not to have explored the industry. Moreover, Innerspace Africa backs its discussion by concluding that entrepreneurs for event management business in Kenya have other professions in entertainment business occupying their concentration to specialize in events profession.

#### Doing events business in Kenya

Concluding from discussion by Muema (2015, s. 1,2,3,4), for an entrepreneur to establish a business in Kenya, an entrepreneur needs to obtain legalized documents and register a business officially according to Kenyan regulation. The registration process costs approximately 28,000 Kenyan shillings. The most crucial steps according to Muema is registering business name and company registration at business registration agency or through online platform for registrations. Acquiring important documents for employees such as certificate for hospital insurance fund and social security fund is also part of registration process for a startup. Afterwards, filing for tax returns by a new business at the tax office is the last procedure.

The decision by the author for this thesis to establish the case business for event management, Exclusive Events startup in Kenya, was influenced by various factors. Since the author was born raised in Kenya and has familiarity to Kenyan culture, business environment, and has

good connections to parties that could boost the performance to the startup; by facilitating networking to partners and clients to the startup are factors considered advantageous to development for the startup in Kenya. Additionally, other factors considered by the author to establish the startup in Kenya is having good knowledge for English, which is used for official dialogue in Kenya. The author feels it is a good chance to establish the business in an environment with familiar language, as the knowledge for language shall assist in eliminating budget for hiring translators, for example at meetings with partners, supposing the business is established in an environment that language is not familiar to the author.

According to the Youth Enterprise Development Fund (2016), launched by the government, various loan schemes are offered to youths to expand their businesses in Kenya at a small standard percentage interest charged annually. Other benefits associated with the youth agency comprise linking entrepreneurs to appropriate partners and mentors for guiding business to growth and advising on business management. As the author has lived in Kenya, conclusions drawn on personal level is that expenses in Kenya are low and the labor market is not expensive hence the author perceives general expenses for establishing the new business and operations shall be minimal. The startup business shall not entirely concentrate in Kenya only, as it expands, it shall internationalize its activities by partnering with other stakeholders in different countries to establish business branches at international levels.

Conclusions by author of this thesis is that there seems to be little research about event planning industry because according to personal observation, sources of information about event management business in Kenya accessed by the author were scarce. Most online information discussed about other event activities for instance tourism and wildlife events of which the startup business shall not specialize include for its services.

#### **4 Business startup development**

According to Duane (2008,38,39) Startup businesses are developed from entrepreneur identification for lack of commodity or service in the market. Duane further concludes that the most important aspect to establish successful a startup is by identification of consumer demands by an entrepreneur and not by a means of hobby, moreover, assessing one's capabilities to deliver the demand in the market. Furthermore, Shards and Karel (2006,81) support the conclusions by Duane (2008) by discussing that identification for entrepreneurial opportunity involves identification for consumer needs unnoticed by other business persons.

Scarborough, Wilson and Zimmerer (2009,25,26,27), suggest that there are no specifications to spotting business opportunities, however, strategies for assessing new developments in the market, providing optional solutions to market demands, developing unknown ideas for market needs and recognition for common market needs could be used to guide entrepreneurs to identification for business opportunities. On the other hand, Ashton (2009,29,46-50) discuss that the beginning step to startup development involves identifying visions for a business and developing a plan for a startup. Moreover, Ashton advises that new entrepreneurs should seek guidance from specialists for business success. Further, Ashton suggests that entrepreneurial goals should be categorized according to timing. Furthermore, Ashton (2009) conclude that provision for business capital for smooth operations, and marketing business offerings offsets elimination for shortage of funds and competition problems.

Following the steps for development for new business, Mandula (2015, sec. 2 para.1,2,3) suggests that business development process comprise of five steps; demand recognition, developing business idea by allocating resources, marketing commodity or service to market, business launch growth phase. Moreover, in his ucfunding.com blog, Mandula (2015), concludes that the first three steps for business development have risk potential to business growth and that necessary attention and allocation for resources to serve business needs promotes success to a new business in the future. Additionally, Shesky (2014 sec.

introduction) recommends for new entrepreneurs to learn from failed business, to make wise decisions for new startups.

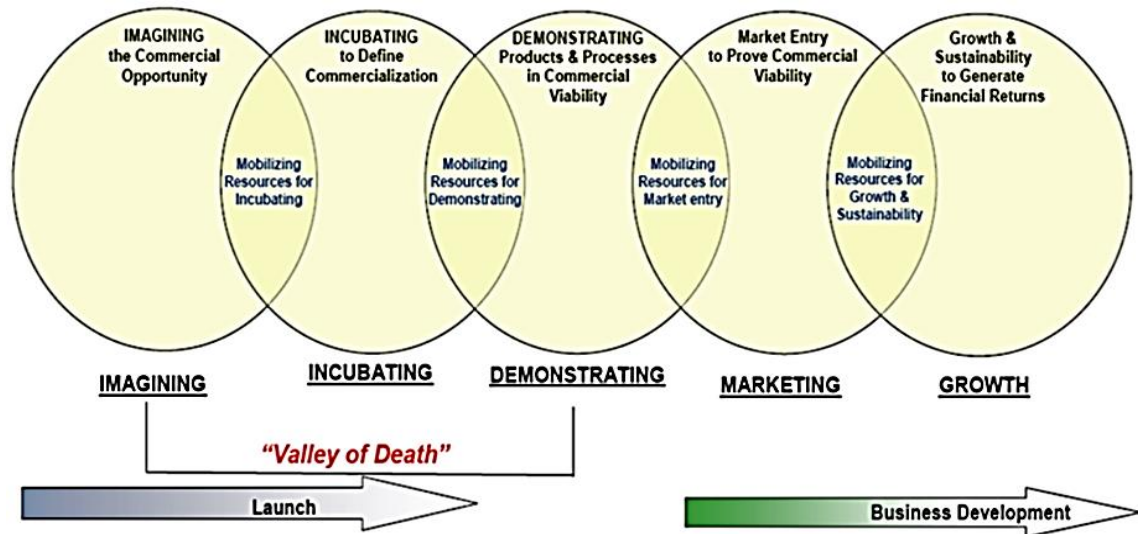


Figure 3: Development steps to new business Mandula 2015.

From the conclusions drawn at stages of development for startups, the case business is at the initial development zone prone to threat for extinctions. The startup shall manage its resources and campaign its products to remove threat for failing. Furthermore, as recommended by Aston (2009) the business shall seek guidance from a business specialist on frequent occasions to keep track of progress and to get possible solutions for problems facing the startup. The business shall also consult the guidance from a business model in this thesis to act as guidance for operations.

#### 4.1 Importance of customer development process to startups

Blank and Dorf (2012, 21,22), suggest that for entrepreneurs to develop their businesses it is recommend for them to test the reality for existence of a new business venture, to determine whether a business shall be successful or otherwise, by suggesting a procedure involving analyzing consumer needs through identification for lack of commodity or services in the market, and investigating acceptance for business offerings by customers in the market. For simplicity of customer development process. Blank and Dorf developed a model for testing reaction of customers for a business. From discussion by Blank and Dorf, customer identification involves realizing potential target market for a new business. Furthermore, by testing reality for existence of a business in the market through analyzing whether a business could get ready market for its offerings. Additionally, Fishbein (2013, para. 1,2) conclude that interviewing target clients for a business could be used as a strategy for customer attraction, by enabling entrepreneurs to identify the subconscious thoughts of target customers to a business. Moreover, Fishbein concludes that it is important for a business to develop its customer identification strategy to be able to avoid selling products or services that are not appealing to target customers. (Figure 4 below indicates process for developing customer validation for a business).

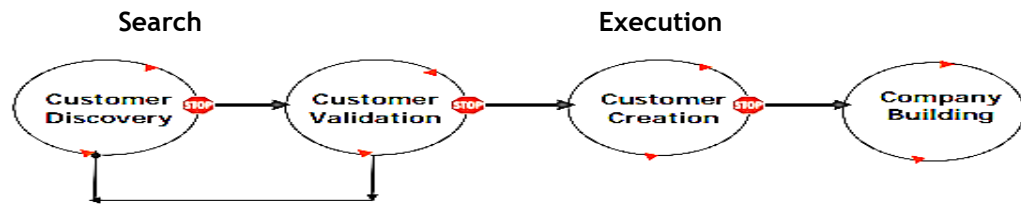


Figure 4: Customer development method (Blank and Dorf 2012)

The case business plans to attract individuals, the public sector and private companies for its services. The author has identified the areas of interest to serve customers by analyzing business capabilities for professional employees that the business shall acquire, moreover, from good business design developed in this thesis.

## 5 Analysis for SWOT to startup business

Discussions from Hollensen (2010,238,239); Kokemuller (2017); Fallon (2017), define SWOT analysis for business as a framework for outlining strengths, weaknesses, opportunities and threats to a business, through identifying the underlying elements impacting a business positively or negatively according to the respective areas. In simple terms SWOT analysis helps to identify a business current and forward-looking situation. Strengths and weaknesses evaluate a business current situation whereas opportunities and threats analyses forward situation. The analysis focuses on internal and external forces of a business with an aim to help a business identify key factors involved in decision making. Focusing on internal factors of a business, key issues assessed comprise for example; organization communication; financial performance and resources; human resources; customer perception for product and price, on the other hand external factors comprise key elements as; economic conditions, social trends, market nature and relationship with suppliers and partners. SWOT analysis benefits managers to; simplify understanding for business industry, helping to link different departments, enhance quality without using a lot of money to market a business and brings cohesion for information to interrelate to benefit a business.

On the other hand, for overall performance of a business, SWOT analysis helps in identification of opportunities for a business to explore and expand and to develop ways to cushion itself from external threats like environment regulations and technology trends, by helping a business to better prepare how to deal with risks or developing strategic steps to deal with a risk. Drawing from conclusions, effectiveness of SWOT analysis is enhanced by staying focused to the task, collaborating with other relating areas, researching from customer perspective and separating internal issue from external issues.

Risely (2012), recommends the best way to make an effective plan for business SWOT analysis is through identification for strengths and weaknesses and using strengths to defeat weaknesses or alternatively by avoiding a threat to a business. Moreover, Furgison (2017) describes the process for turning threats to opportunities by use of strengths by a business as TOWS analysis.

	<b>Opportunities</b> (external, positive)	<b>Threats</b> (external, negative)
<b>Strengths</b> (internal, positive)	<b>Strength-Opportunity strategies</b>  Which of the company's strengths can be used to maximize the opportunities you identified?	<b>Strength-Threats strategies</b>  How can you use the company's strengths to minimize the threats you identified?
<b>Weaknesses</b> (internal, negative)	<b>Weakness-Opportunity strategies</b>  What action(s) can you take to minimize the company's weaknesses using the opportunities you identified?	<b>Weakness-Threats strategies</b>  How can you minimize the company's weaknesses to avoid the threats you identified?

Table 1:SWOT analysis matrix (Furgison 2017)

When creating a SWOT matrix, Eklund (2009) recommend that a business person needs to analyze the business situation by; determining how to exploit strengths, strategizing the use of strengths to reduce threats, identifying how to use opportunities to overcome weaknesses and planning how to overthrow weaknesses to prevent occurrence for threats.

To establish a winning SWOT strategy, it is recommendable to first focus on areas of strengths and perfect them, then later focusing on weaknesses and finding solutions to weaknesses and threats. Graziosi (2017, 52-56) suggests that the subconscious failure thoughts flourish when people concentrates so much on things that they find hard to achieve. Graziosi suggests that the idea to focus on weaknesses is good but ineffective and only results to feeling inferior subconsciously, by discouraging a person from focusing on their strengths and competences. Alternatively, a person can consider working on strengths and consequently building strengths help a person to overcome weaknesses. This assumption is very practical to any business since most businesses are run and operated by human personnel. When management insists that employees perfect their weaknesses, the staff morale could probably go down and self-confidence of employees diminish when employees loathe the task of working on areas they are weak, hence as a result the overall performance output of a business can be extremely affected negatively.

### 5.1 Analysis for SWOT to case business, Exclusive Events

The analysis for the startup Strengths, Weaknesses and Opportunities for this thesis report is meant to enable the startup to identify its areas of strengths and weaknesses. The information is crucial to the startup especially at the launch stage, to enable the business in assessing its decisions to evade or solve risks associated with its weaknesses. Moreover, the startup shall be able to formulate strategies to tap opportunities and measures to eliminate its weaknesses while operating in event management industry.

Presentation of business SWOT analysis in (figure 5) below, enables the startup to visualize its strengths and weaknesses and opportunities much easier, hence act accordingly towards achieving its goals.



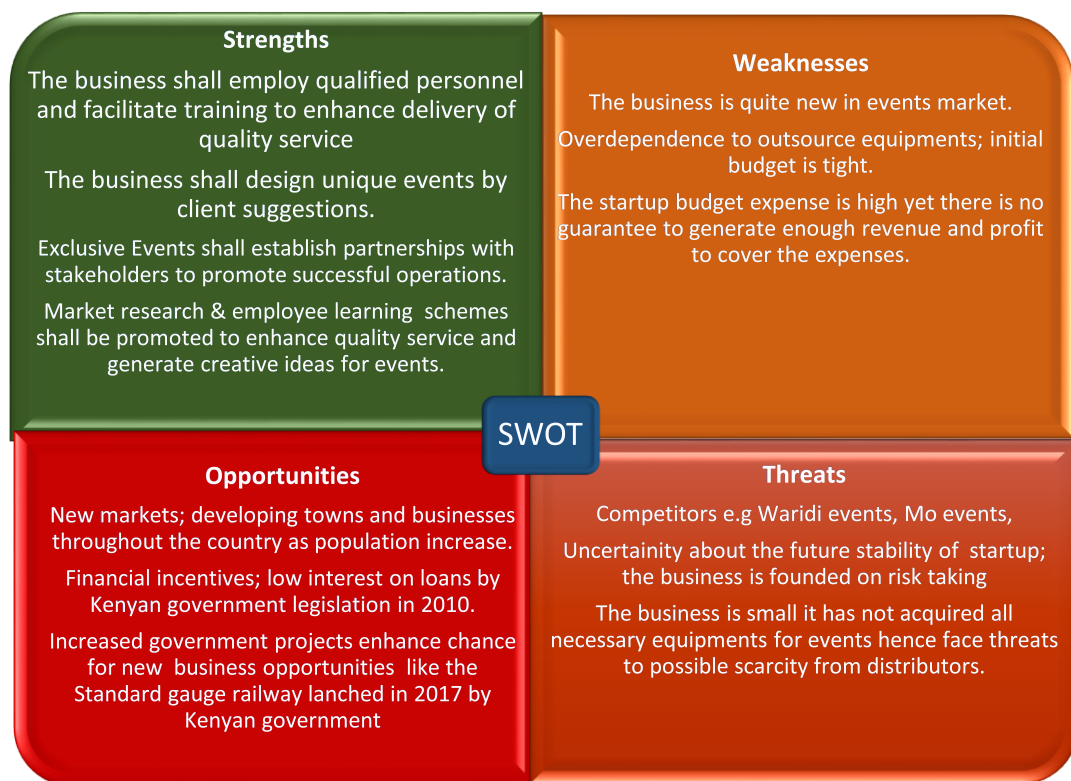


Figure 5: Exclusive Events startup, analysis for SWOT

## 5.2 Overview for the SWOT of Exclusive Events startup

Concluding from the overview for the SWOT to the startup business, the startup has strengths in areas of having resources for professional staff, uniqueness to design for events through corporation with clients for generation of ideas, having good relationships with partners to facilitate smooth activities for the business for instance distributors for event commodities. Moreover, the startup shall encourage employee learning and initiate training arrangements for employees to gain more experience in planning events and serving clients.

Opportunities to the startup case business to expand its services are already underway, for instance by new project developments, according to news video by New China TV (2017), development project for railway was initiated by the Kenyan government and association with the Chinese government, officially inaugurated at end of May 2017. The project is expected to enhance trade within Kenya by linking Kenya to Eastern Africa region countries by fastening access, and promoting the development of businesses and formation of towns along the lines. The conclusion is that the case business has a better chance to benefit from the development projects by acquiring business customers. Furthermore, financial incentives by the Kenyan government to monitor interest rates borrowing loans, legislated by the Kenya government in 2016, is a new development for the startup business to acquire funding capital for business operations when need arises, at low interest rates on loan, hence the startup shall not be strained to repaying borrowings from banks as it operates.

The weaknesses for the new startup is that it has not established its name in the events market, therefore there is great challenge to convince the target customers about its abilities to provide excellent event management services. Moreover, the startup must make huge investment before launch from founder's savings, yet there is no guarantee that the business shall generate enough revenue to cover expenses.

Threats facing the case startup is that there are already established event planning businesses in Kenya, like MOSound events company with great market influence. The startup shall have to invest a lot of effort to provide quality events for its clients, to develop its image in the events business in Kenya. Furthermore, the startup is based on risk taking by the entrepreneur, there is no assurance that the startup shall make major developments but the founder hopes for success. Additionally, at the beginning, the expense for acquiring all necessary event equipment at good quality is expensive. The startup shall have to outsource most equipment from other businesses to minimize overstretching its budget. Outsourcing poses a threat for shortage of supply when demand for event equipment is high.

### **5.3 Analysis to action strategies for case business SWOT.**

Through initiating the TOWS strategy by Furgison (2017), Exclusive Events business shall ensure that business goals are achieved. The TOWS analysis discusses activities for use of strengths to contest weaknesses and tap opportunities, and using strengths and opportunities to deal with threats where possible.

#### **Utilizing strengths to solve brand weakness**

Since there is uncertainty about ability for the business to sustain itself because it is new in the market, the management for the new business shall coordinate business strategies for marketing activities to reach potential clients. The startup shall engage marketing activities for advertising business existence and offerings, by using flyers, posters, business cards, social media pages to the business-like Facebook and twitter. Moreover, through strategic collaboration with stakeholder, the business shall take the opportunity to engage in forums with stakeholders to establish platform for marketing its brand and services. Moreover, the startup can join the membership for the Youth Enterprise Development Fund association in Kenya, and benefit from assistance to connections with large corporations, consequently increasing its market opportunities.

#### **Strength strategies to curb overdependence and outsourcing shortages**

Since the startup shall operate on small-scale at initial level, there is risk for overly depending on other businesses for hiring event equipment, facilities, hence being exposed to shortages for supplies because the business expenditure is not sufficient to purchase all equipment and facilities for events. The startup shall establish partnership relationship with reliable businesses to hedge against shortage for facilities and equipment. The management shall closely monitor the growth of the startup by coordinating strategies to business mission. When the business expands its boundaries to large scale, a certain amount of cash shall be set aside to purchase good quality equipment for event activities, and possibly consider purchasing event facilities possible when the business generates sufficient profit. Moreover, strategic partnership shall benefit the business to adjust to unexpected demand for event services by providing products or services to the startup at an agreeable price.

#### **Coordinating strength and opportunity to solve financial scarcity**

Since the startup business is a sole proprietorship type with little initial capital investment and tight budget, the management to the business shall make initial calculation for the expenditure and assess whether there is need to outsource capital like from bank loan. As discussed by Ouma and Genga (2016), in Kenya, the destination host for the startup, the central bank reduced lending interest rates because of government legislation to cap rates for lending. The startup business shall make use of the opportunity to lend a loan at low interest and ensure that the business goals and strategies are coordinated in activities to generate revenue and profit, hence making it easy to pay off loan at the agreed payment time with a

local bank. Furthermore, other alternative capital source could be attained from tapping offers by the government to promote young entrepreneurs. In 2016, the Kenyan government presented to the nation, the Youth Enterprise Development Fund, to assist young entrepreneurs to create self-employment, by offering cheap loans. This could be a good opportunity to the case business since lending is of low uniform rates, therefore likelihood to strain the business in paying back is minimal (Youth Enterprise Development Fund 2016).

### **Strength Opportunity strategy**

According to conclusions drawn, new market opportunities in Kenya emerge because of development activities by the government. For example, the construction of the standard gauge railway, by association with Kenyan and Chinese government, has been completed, and officially launched for operation by the Kenyan president, Uhuru Kenyatta, at end of May 2017, as highlighted in the [bbc.com](http://bbc.com) (2017) news. Since the host country to the business, Kenya, has a growing economy and new markets emerging especially as a result of constitutional devolution for counties by the central government in 2010, responsibility to allocation for resources is dealt by county government at local level, hence, it shall be easier for the startup to strike deals for creating events with local county authorities, because the government has been engaging young entrepreneurs and encouraging entrepreneurship for small scale businesses. The business shall make proposal to showcase its capabilities and make deals if accepted to organize events for the local governments, to communicate to stakeholders about ongoing projects for development of counties. The competitive edge for the startup shall comprise using the business model canvas in this thesis to communicate to investors about the potential for the business to accomplish smooth lending process.

### **Strength to threat strategies**

Since business operations are always exposed to threats from either internal factors or external factors, the startup shall deal with threats by using threat solving options achievable by removing, accepting, sharing and limiting. When operating, to have healthy competition with already established firms, the startup shall use service differentiation techniques to counter competition. By having excellent professional team, the case business shall ensure consistent quality service by special having dedicated attention to customer individual needs during service provision. Moreover, to stand out from competitors, uniqueness for events and engagement of customers in design decisions for their events shall be coordinated in event planning process. Furthermore, to shield from replication effects, the business shall incorporate its resources in research for the market and development investigations for services to be offered. Research shall be achieved by marketing surveys, assessment of competitor environments and threats associated with competitors, later initiating risk management process to deal with threats. For competitor analysis, the startup shall discuss the following problems;

- Determining the main competitors for the business in the market
- Identifying threat posed by competitor's example low pricing
- Assessing best course of action to deal with threats example by constant reinvention and offering high quality service to defeat price wars.

Legislative laws risks could be dealt with by using strategic corporation with other businesses, for example by taking insurance cover to protect from unpredicted liabilities, consulting with law firm to assess and file legislative documentation required for the business.

Social responsibility and ethics in business involves study of business and its operations, decisions and principles concerning moral values and acceptable actions that form the guideline for conduct of people within an organization, in decision making and interaction with interest groups to a business, with aim to protect business reputation. Since globalization has greatly expanded to be more familiar concept to businesses, managers for businesses have realized assessment of ethics and responsibility for business is crucial to survive challenges associated with cultural diversification, legal issues and accountability issues. For social responsibility, individuals and organizations are held accountable for actions, requiring them to execute decisions in a manner benefiting the society; whereby balance between economic gains and wellbeing of society and the environment exists. The argument for ethics to business is that business image is greatly affected by personal judgement in an organization to be ethical or otherwise. Furthermore, although companies set the principles, managers play a vital role in influencing success or failure of acceptable behaviors and social responsibility. Crane and Matten (2010,4, 18-24); Scarborough et al. (2009,749,750,754); Alliance (2017).

Since unethical measures taken by businesses in operations have great harmful danger to individuals, communities and the environment, acceptable morality and laws and activities from associations have influenced business persons to be morally responsible. Crane and Matten (2010,11); (Kotler et al. 2014, 628). According to conclusions from discussions by Scarborough et al. (2009,751), there are three types of managerial behaviors influencing ethics and social responsibility comprising; Immoral managers, with intensions to personal gains and ignores morality law, amoral managers focused on personal gains with observation to the law but violate employee rights and moral managers who observe laws and acceptable behavior in society.

maintaining ethical standards in a company is related to success resulting to economic gains. According to Porter and Kramer (20016), positive contributions to society by a business is considered a long-term asset for safeguarding competitive strength of a business. The benefits of maintaining good behavior enable companies to eliminate bad practices when serving customers. Furthermore, since businesses have great following by society, ethically responsible businesses are more attractive to employees, investors and consumers interested in good actions. Crane et al. (2010,9,51); Scarborough et al. (2009,754); Epstein-Reeves (2010).

Basing on Mullings (2011), conclusions are drawn from examples for relation of business ethics practices in event management business. For instance, business ethics facilitates legal considerations, when organizing an event, event managers know the importance to acquire premise license for an event venue, not all venues could be used to host events hence need to check if there is authorization. Additionally, event planners need to check that standards for sanitation are observed, and license for serving alcoholic drinks is acquired. Furthermore, managing health and safety requirements at an event, regulating noise, complying to child protection regulations, managing parking at event is recommended and considered good practice wherever possible to choose event venues that have facilities to accommodate the disabled persons.

According to (ISO) agency; the International standard for organizations (2016), there are numerous benefits to a business associated with acquiring ISO 14001 certification for environmental management system. The ISO 14001 aims to control aspects of a business directly impacting the environment. Moreover, creating awareness to business owners and managers about their responsibilities to conserving environment, additionally observing legal and operation responsibilities and controlling of related risks. As discussed some of the benefits associated with ISO 14001 certification are as follows:

### **Advantages of ISO certification for business, employees, customers and environment;**

- Certification by ISO helps businesses to reduce operation expenses by using reduction, reusing recycling approach, reduces taxes and legal responsibility insurance. Moreover, business image is enhanced by assessing impacts of business activities towards environment, and managing reduction of business effects to the environment, hence business score for green card is boosted. Furthermore, businesses have tangible evidence that they embody environmental conservation in activities in their operations.
- ISO certification enhances business attractiveness and image to clients and employees interested in environmental conservation. Furthermore, contributes towards motivation of employees who are environment conscious by increasing awareness about environmental concerns, hence reducing environmental risks from business activities.

#### **6.1 Business Ethics and social responsibility for Exclusive Events startup**

Exclusive Events shall values stakeholders and the environment because they contribute to growth of the startup by promoting; acquisition of employee, business partners or customers for the business. Through provision of excellent services to clients, and acting according the legal regulations, the startup shall work hard to enhance its name for events business in Kenya. The business shall also set moral guidelines for operation and ensure interests of employees and other stakeholders to the business is cared for. Ethical and social responsibility shall be achieved through the following aspects within the business organization:

##### **Contributing to social welfare and responsibility**

Since it is morally acceptable to do good the case business shall contribute towards bettering the society wherever possible without straining its finances with an aim to considered a role model in sustainability. Once the business is well established in events industry, it shall contribute frequently towards social projects like charity funds to environmental conservation and protection, towards funding natural calamity areas like drought prone and earthquakes or to organizations caring for the orphaned children. Moreover, the business shall engage its activities to benefit the local small entrepreneurs for example by purchasing supplies for event functions and offer employment opportunities to fresh university and college graduates.

Furthering the agenda for social responsibility, Exclusive events business shall act professionally in ethical manner while adhering to legal laws and morally acceptable standards of the local communities. Since the host country to the business destination, Kenya, is culturally diverse nation, the startup business shall ensure to study the cultures and behavior norms for the communities involved in event activities especially for public events and private organized events to avoid misunderstandings or offending local communities unintentionally.

##### **Safeguarding employee interests**

Protecting the interests of employees to the business by ensuring employees are well compensated for their services, providing employee with medical insurance and travel insurance since the business involves travelling to event venues. Moreover, the business shall not exploit the employees for its own gains and activities like rule of thumb by management shall be unacceptable.

### Protection of stakeholder's wellbeing

The case business shall ensure that it acquires legal documentations and operates according to acceptable ethical principles within the business when dealing with stakeholders like investors. Performance measurements information for the business progress economically and impacts of business activities to the environment shall be availed to the stakeholders for transparency purposes. The business shall not hold information to deceive stakeholders for its own gain.

### Environmental protection measures

To serve as part of business strategy for Exclusive Events to safeguarding the environment, the business shall acquire the ISO 14001 certification. The certification by ISO shall enable the case business, Exclusive Events, to manage and reduce impacts of its activities to the environment. For example, the for management and reduction of pollution effects, the business shall ensure to engage its activities with use of green energy, use bio-degradable products for events and moreover access risks and liabilities associated with events business activities and ensure the business is well covered by liability insurance in case of hazard occurrences.

## 7 Risk Management to startup business

Entrepreneurship activities are always associated with risks either from internal business factors or externally. Risk management involves assessing risks in order and solving risks in the respective order. A risk is an uncertain situation that an organization faces and could be either internal, or external to an organization like political factors and competitors. Risks for business vary in nature and can be categorized as; strategic risks, operation risks, financial risks and hazard risks. For event management business, risk management is crucial as most events are likely to have many participants or persons near event venue who might be affected by occurrence of a risk. Burns (2016, 254,255); Hendrik (2013); Conway (2012, 35). Conway's categories of risks diagram further simplify identification of each specific risk into respective category as shown in figure 6.

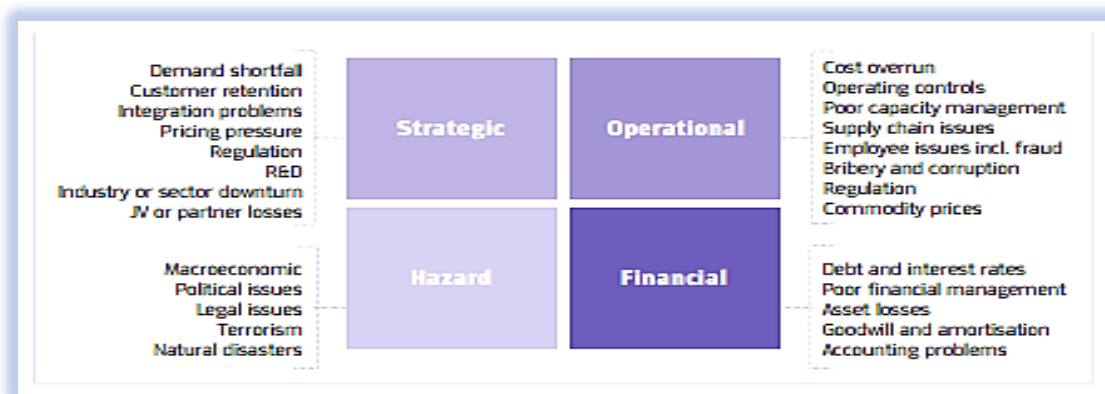


Figure 6:Categories of risks for business (Conway 2012,35)

Further conclusion by Hendrik (2013), is that risks management process comprises of five phases as simplified in the diagram below. At the beginning phase, identification of risks that are likely to occur is done. The second step involves analyzing extent of a risk scope. Third phase involves acting according to risk level and last phase for safety documentation comprises activities for recording the risk assessment process to ensure continuous safety.



Figure 7: Risk management actions (Hendrik 2013)

## 7.1 Assessment of risks to a business

According to Conway (2009), conclusion drawn is that monitoring threats by event planners is helpful to minimize damages for business activities. Moreover, according to (Conway 2009,21,25) ;(Hisrich, Peters and Shepherd 2010, 209) discuss that businesses that check risks influence employees to value safety, furthermore, reduces threats by preparing a business to implement solutions for a threat. The authors recommend making a table for investigating threats as the easiest means to track progression for solutions ad moreover for pointing out new threats to a business. Moreover, Conway, Hisrich, Peters and Shepherd suggest that solving threats is characterized by identifying the level of damage and executing solutions to problems. An example according to Hendrik (2015) below in (Table:2), for “Unmanned Aircraft System(UAS) threat assessment table”, shows relation of threats to damages, for better clarification for the process to analyze a threat. On the other hand, according to Burns (2016,256), Burns recommends for businesses to end risky ventures or to share a threat with partners for protection.

Likelihood	Detail ("customized example")	Value
Frequently	Likely to occur many times or has occurred frequently ("five times during operation")	5
Occasional	Likely to occur sometimes or has occurred infrequently ("Every second operation")	4
Remote	Unlikely to occur, but possible or has occurred rarely ("I know it from some events")	3
Improbable	Very unlikely to occur or not known to have occurred ("it happened once and I heard about it from other operator")	2
Extremely improbable	Almost inconceivable that the event will occur ("never happend")	1

Table 2: Safety assessment risk table (Henrik 2015)

## 7.2 Risk management strategies for the case business, Exclusive Events startup

The management to the case business realize that activities involving organizing an event require proper management for risks to avoid liability damages to the company and to protect the business image towards stakeholders, moreover, also to safeguarding the strategies for the business. The management to the business shall incorporate the following strategies to manage risks for the business:

### Selecting a risk management committee to the business

The management to the business shall select members within the organization to act in decision making for risk management activities concerning business operations. Moreover, the management team shall coordinate with local authorities for event venues and other shareholders to the business for better management for risks, through communications about risks, filing documentations and reviews for decisions associated with risks solutions.

Moreover, risk management shall comprise activities for identification for risks, assessment weight for a risk, formulating decisions for risk management and implementation for decisions to solve risks, and creating a platform for general discussion of risks with stakeholders by holding occasional forums open to all for discussions.

Actions for mitigation shall involve deciding whether to pursue a risk for example relating to investment risk, elimination of a risk that poses a threat for instance accident risk at an event, transferring a risk to another department to make them less harmful. At an incident, whereby the business is unable to deal with a risk, it shall seek services from external organization for management for example for analyzing the extent of financial risks through consultancy services from financial audit firm.

The risk management committee shall be tasked with assessing objectives and mission for the business and analyzing internal and external business environment. The information shall be useful to point out risks associated with the business from objectives and business environment perspectives. The objectives for the business shall be information for steps to achieving aims, whereas mission comprise of main purpose for the startup. The second phase of management shall be for identification of risks. Identification for risk shall be accomplished by assessing the context for the business in relation to mission, objectives and environment and pointing out areas for concern for threats.

Once threats to the startup are identified, the management shall analyze risks by designing a risk mitigation table example (Hendrik 2015, s. 2) and determine the scope of damage posed by each risk. A criterion for numbering risks beginning from the most damaging to the least damaging shall be used, and risks posing great danger shall be indicated with high number levels. Evaluation shall proceed after analysis to ensure results for analysis are compared and to determine the best action whether to accept or opt out of a risk. After determining what to do about a risk situation, solutions for threats shall be coordinated into activities. The final procedures shall comprise of monitoring and documenting risks and communicating about risks to business stakeholders about the management actions in progress.

Likelihood	Detailed example	Value
Unlikely	Event last minute cancellation	1
Occasional	Event commotion, illness	2
Extremely likely	Security threat at event	6
Rare	Natural disaster	8

Table 3: Risk assessment table for Exclusive Events startup (2017)

For risk safety assessment table above, the value for assessment for instance by following (Hendrik 2015) example, value number shall be ranged from the lowest point to the highest for instance 0 to 10. The risk with least expectation to occur and severity shall be indicated with least number and the highest severity risk shall be indicated with high severity number and be dealt with according to prioritization for value numbers to risks exposures.

#### **Insuring against risks and coordinating with stakeholders to the business**

For Exclusive Events startup to further mitigate risk, the business shall find best alternatives for the business by passing risks to other parties for protection. The business shall insure itself from risks by taking insurance cover to shield it from liabilities associated with risks posed by operations, to safeguard business funding's and assets. Moreover, stakeholders shall be helpful in solving risks further for instance through partnerships with other businesses offering



commodities for the startup to shield from shortage of supplies for events. Moreover, to coordinate with communities around event areas, the business shall engage the local authorities to assess possible threats posed by event activities near communities and consequently find best solutions to mitigate risks through risk management process as discussed above.

### Consulting with risk audit firms

Since the startup may not be able to entirely channel all its resources to investigate risks associated with the business, an auditing firm for assessing and surveying about risks shall be consulted to research more about potential threats for the business, focusing from internal factors within the firm such as management, service designs and external factors like government regulations, community concerns, business competitor reactions and the environment.

## 8 Business Model Canvas development for startup business

According to Barringer et.al (2008,166,167), Nielsel & Lund (2013,9) and Joanna (2015,4), structure for business layouts form business models. Moreover, laying out business plans help managers to assess the capability for a business. Through linking activities, a business model simplifies business operations in a sequence of activities named “the value chain”, which comprises of production operations and service operations that help a business reduce expenses when it is managed well. According to Ramon and Joan (2011), business structures help businesses to identify set goals and provide solutions for problems and suggestions for accomplishing visions and for preventing unpredictable threats

Alexander and Pigneur (2010), simplify models for business to nine building blocks; value proposition, customer segments, channels, customer relationships, revenue streams, key resources, key activities, key partnerships and cost structures. The decision for main components to a business model is not agreeable to most people, however, business models have some common set of attributes agreeable to all. A business model comprises of four components; core strategy, strategic resources, customer interface and value network as indicated in the diagram below, Barringer and Ireland (2008, 169,170)



Figure 8:Components for a business model (Barringer & Ireland 2008, 170)

Summary for a business model canvas design is as shown in the diagram below. The case company shall be developed emulating the example for model canvas design and proceeding with adjustments of business specific content that adds value to client desires. At the end of Exclusive Event startup development discussion, the author shall design a business model diagram for summary of the business basing on the guidance of this design. Model canvas diagram adopted from WordPress 2012 as below:

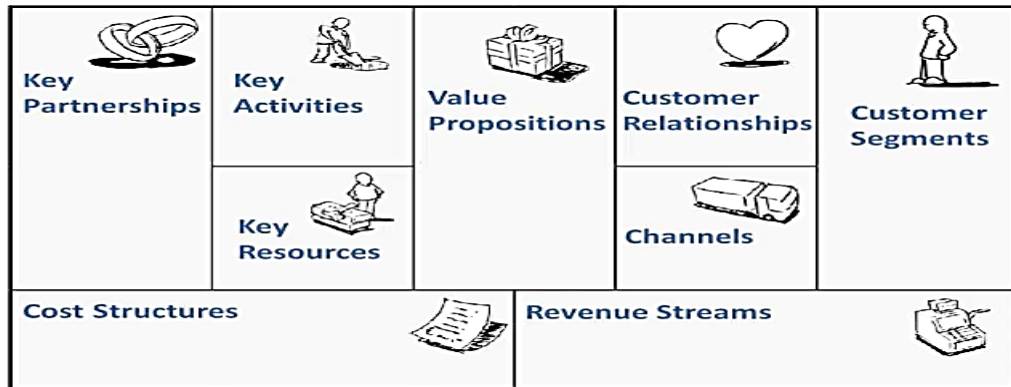


Figure 9: Presentation for business model (Alexander & Pigneur 2010)

Moreover, according to Hollsen (2010,37-38) and Barringer et al. (2008,1666-167) discussion draws conclusion, a design for a business links different departments and functions to enhance value for business offerings, moreover, discussion is that value chain is for; “service value chain and production value chain, and that both are involved in business processes to deliver offerings to customers”.

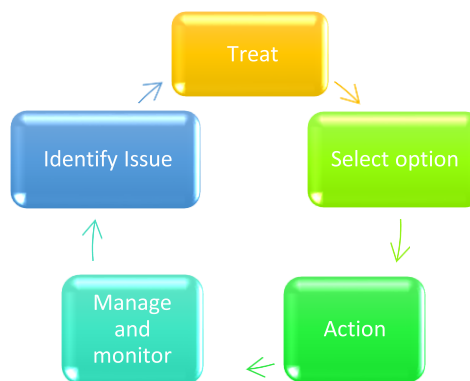


Figure 10: Service value chain or “value shop” model (Hollensen-2010,45)

According to Johansson et al. (2012) discussion, the product value chain and value shop work together in harmony to complete delivery of value to customers for a business. Moreover, Potter’s presentation of Value chain as illustrated below illustrate that all processes in an organization and departments are linked together during production of valued commodities for customers.

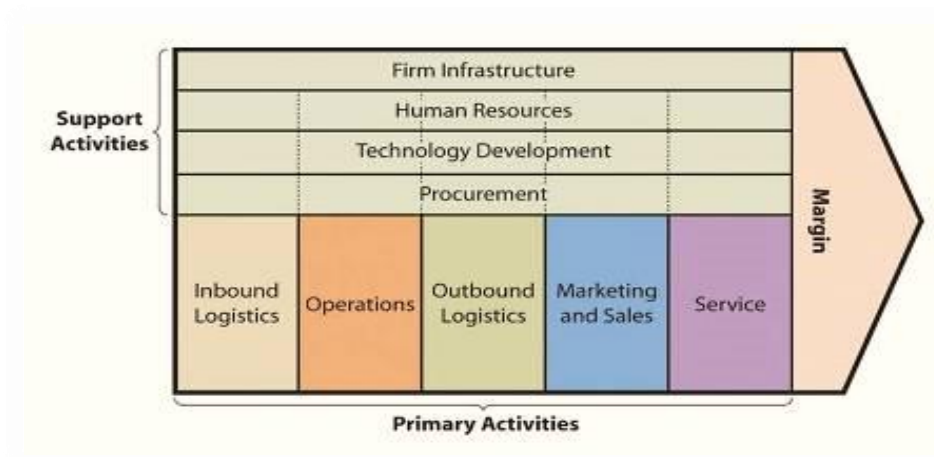


Figure 11: Value chain model (Porter 2010)

### 8.1 Building Blocks to a Business Model

Ostewalder et al. (2010) conclude that a business model has nine elements “Key partnerships, Key resources, Key activities, Revenue streams, Customer relationships, Customer segments, Value propositions, Channels and Cost structure”.

#### Partnerships for a business

Organizations or individuals could form agreement with a business to help in provision for service or commodities that a business is not able to provide for itself. Since businesses are unable to produce all needs for operations, they benefit in reduction for costs of production by hiring partners to provide needs for commodities or services. Moreover, partners to a business help businesses to eliminate uncertain situation for business provisions in a competitive market by guaranteeing to cater for business needs. The most important elements that a business could analyze when seeking associations comprise of contributions towards a business, and activities associated with partners, for benefiting a business. Additionally, Partners to a business could be categorized for collaborations among corporations, rivals, joint businesses and between transacting businesses. Alexander and Pigneur (2010,38-39); David Cummins (2011).

#### Business Activities

Burns (2016,244-246) discuss that main activities for a business are the most important processes that businesses perform to achieve goals. Moreover, depending on requirement, some activities are performed continuously in operations for a business whereas other tasks are performed once. Moreover, supporting Burns definition for priority business activities, Epperhart (2015); Ostewalder and Pigneur (2012,36); Ashe-Edmunds (2017), discuss that key business operations are associated with benefiting a business to enhance value for business offerings to target clients. Furthermore, key operations to a business comprise of methods for production, means to reach clients and business systems for organization facilitated by departmental functions; influenced by partners, sources of revenue and means for reaching clients by a business.

### **Key resources**

Businesses require resources to be able to operate efficiently, in process to deliver value through provision for needs to clients and generate income from serving clients. Resources for a business could be attained in several ways for instance by being purchased, through hiring or provided by partners to a business. Moreover, depending in business dealings, resources vary to different businesses for strategic competition. Additionally, main resources for a business could be physical or immaterial, classified as; assets, trade knowledge, employees to a business and investment, Ostewalder et al. (2010,34); Anastasia (2015, sec.1 part. 1-4, sec.2, sec.3 para.1-4).

### **Value prepositions**

Ostewalder et al. (2010,22) and Martin (2015, sec.1 para. 1-4, sec.2 para.1-11), discuss that value for business is achieved as a means of strategic operations and production for business offerings, influencing customer loyalty. Moreover, Ostewalder et al. and Martin conclude that businesses can enhance their value perception for clients through product and service features with simplicity, newness, status and less pricing. For businesses to effectively communicate to clients about value for their offerings. Additionally, William, Michael and Christian (2013,64) recommend for marketing activities since most businesses sell their products by selling an idea to client's subconscious minds. On the other hand, Adrian (2013,64) conclude that amongst the options to choose value strategy, cheap commodities could affect a business negatively resulting to loss of clients when a business decides to raise its pricing for offerings.

### **Business to customer relationships**

Rouse (2014, para.1) and Ostewalder et al. (2010,28,29) conclude that activities and resources channeled by a business to serve clients effectively and provide value for customer needs, form relationships between businesses and clients. When selecting relationships with customers businesses are concerned to maintain customer loyalty, to attract new market and to increase sales, hence implement several techniques for operations to like aiding clients, providing new offerings, providing and convenience to solving client needs. Moreover, Woodburn and McDonald (2011,17-18) discuss that relationships between businesses and clients are influenced by situations, furthermore, that entrepreneurs should be selective in choosing dealings with clients, and consider ability to allocate input required to establish relationships, to evade making loss on unproductive ventures. Additionally, Woodburn et al. advises entrepreneurs against lacking knowledgeable information when dealings with clients, focusing on personal gains and hiding misconceptions towards clients when establishing relationships with clients.

### **Priority business Channels**

Ostewalder et al. (2010, 27); Kotler and Armstrong (2014,363), discuss that when organizations implement activities for producing value offers to clients, seek to communicate to customers or to reach target market and generate revenue, they use platforms available in an organization, acquired by a business, or hired from other businesses, to attain desired business goals for ; educating customers, easing customer decisions for purchases process by attaching value to business offerings, enhance presentations for business offerings to clients and designing post-purchase solutions for clients. For effectiveness, Ostewalder et al. and Armstrong discuss that businesses need to investigate preferential platforms by clients, moreover, to assess business capabilities for requirements to platforms and techniques to reach clients, with aim for reducing loss. Furthermore, Kotler et al. (2014, 363, 364, 365) discuss that channel choice by businesses either increase or decrease final consumer pricing, usually determined by incurred business expenses and that selling directly to customers is less

costly to both sellers and consumers. However, Kotler et al. concludes that businesses prefer using brokers to reduce or eliminate transaction loss.

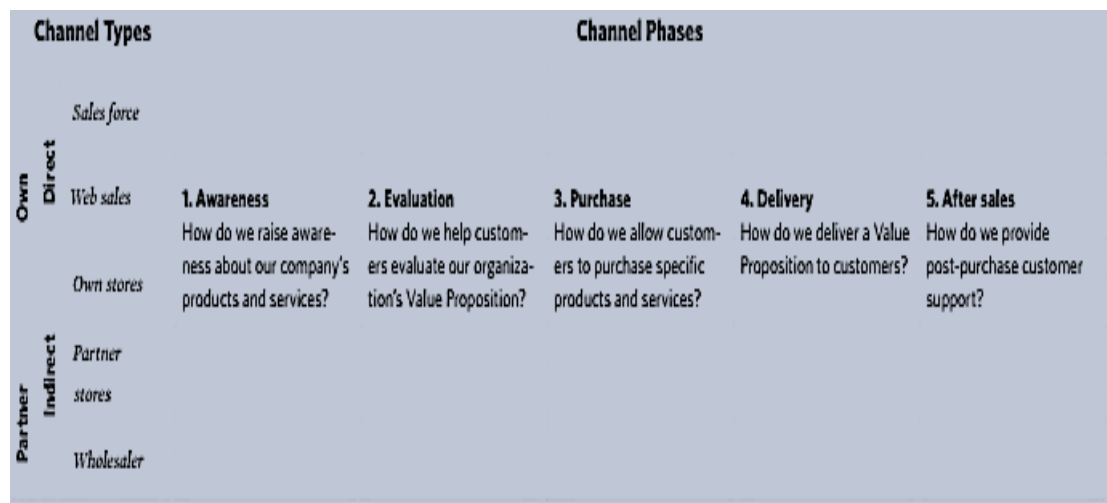


Figure 12: Types of channels and phases in business (Ostewalder & Pigneur 2010,27).

### Customer segments

Drawing conclusion from discussions, businesses select areas for specialization and customer categories by analyzing common customer desires, consumer decisions to buying, or different customer desires to be fulfilled, with aim to provide value for target market. Moreover, for easy decision making to specialization, businesses classify customers into “common market, niche market, segmented, diversified or multisided market”. The process to identify target customers for a business is crucial for entrepreneurs to accomplish missions for operations, achievable through identification for important business activities that generate value provisions to customers, and consequently result towards contributing to income to a business. Alexander et al. (2010, 20, 21); Hollensen (2010, 280); Diana et al. (2011,27-30).

Furthermore, according to Kimla et al. (2014 sec. 2 para.3, part.3 para. 1,2), entrepreneurs should investigate business environment and customers, and acquire necessary tools for operations; to provide value that attracts customers. On the other hand, relating to events business, Conway (2009,53) discuss that the process to classify customers into respective markets facilitates specialization and allocation for necessary resources by event managers, to provide value to customers through event planning activities.

### Revenue streams

Megan (2013, para.1) recommends that entrepreneurs should broaden their business portfolio to be able to eliminate uncertainty for generating sufficient business income. On the other hand, as shown in Stanford Graduate School of Business video, McKeown (2014) has different views, advocating for importance to specialization by businesses because specialization helps to boost excellence in operation, hence results to production of effective results and achieving success. Furthermore, Meese (2015 Sec.2) recommends that entrepreneurs should choose to specialize in activities that are most beneficial to a business and later adjust to other provisions to customers once a business has reached the peak of success.

Categorically, according to Alexander et al. (2010,30-33); Lovering (2017); Cooper (2015,2) and Scarborough et al. (2009, 382-384, revenue streams are associated for instance with “protected business knowledge, service charges, and hiring product or service”, moreover,

that pricing determines the final income to a business. Businesses conclude price decisions for their offerings based on prior assessed decisions resulting to standard value or basing on negotiations, as a result value for business offerings fluctuate basing on agreements. Furthermore, pricing is influenced by market rivals, value perception for business offerings by customers and business general outlook towards a business by customers. For service business, according to Cheryl et al. (2015, 126); Scarborough et al. (2009,398) and Drury (2008), entrepreneurs are advised to make pricing decisions with considerations for expenses associated with generation of final service to clients, termed as “cost plus pricing”, moreover, concluding that the method enables businesses to charge within the market level for competitors basing on estimations for expenses.

### **Cost structure**

Colin (2008,48); Atrill and McLaney (2011, 240-242, 280-282); Ostewalder et al. (2010, 40-41) discuss that expenditures incurred by a business during operations to deliver value to target customers vary depending on nature of business or specialization, moreover, costs to a business could be categorized as “constant costs, fluctuating costs, economies of scale; bulk purchase and economies of scope; large scale operation benefits”. Additionally, the conclusions drawn by Colin, Atrill and McLaney and Ostewalder et al. is that businesses have optional decisions for designing their models, to choose between “cost-driven model or value-driven model”. As summarized, elements for economical business decisions are associated with low pricing decisions, use of machines, and intermediaries, whereas value motivated businesses have high

expenses and pricing but deliver maximum satisfaction to value offerings for clients. Furthermore, according to the discussions, costs for businesses are influenced by indirect expenses in production and operations by a business or direct expenditure resulting from buying resources to generate final business output for customers.

The startup budgeting section for the development discussion shall comprise of possible startup expenditure calculations, and estimate of fixed and variable costs. The calculations shall enable the business to be able to calculate its pricing with considerations to costs incurred to production and operating the business.

## **8.2 The value chain model to the startup business, Exclusive Events**

Exclusive Events shall incorporate both value chain and business model to its operations because the service value chain model shall be especially advantageous to its service to clients, enabling the business to test the procedure it uses to deliver quality service to clients, and second the porter chain model shall be effective to the general operations of the business for example in internal operations and cooperation with stakeholders to the business. Below is the value chain model to the startup business adopted from Porter 2010.

Like Porter’s value chain, support activities for the startup shall comprise business infrastructure, human resource management, technology development and procurement. On the other hand, primary activities shall comprise logistics; inbound and outbound, marketing and sales, operations and customer service activities. (Figure 13 and table 4 below indicate value model for the case startup business).



Figure 13: Administration functions for Exclusive Events startup (2017)

Internal logistics	Outsourced logistics	Activities	Marketing and selling	Relations with customers
<p>Manage inventory purchase products, service for event</p> <p>Develop partnerships; suppliers &amp; venue owners; contract deals.</p>	<p>Integrate technology for; purchase to reduce costs; warehousing.</p> <p>Transport to event venue.</p> <p>Outsourcing services to events e.g. security, catering, technical output.</p> <p>Transport equipment &amp; goods to venue place.</p>	<p>Advertisement</p> <p>Research service design.</p> <p>service; after-sale, pre-sale, handling complaints, visitation; premise</p> <p>Event design &amp; venue selection</p> <p>Events processing</p> <p>Employee learning.</p> <p>Safety &amp; risks control at events.</p> <p>strategy- unique event design.</p>	<p>Advertisements; social media, website, partner &amp; community association</p> <p>Customer incentives; bonus 2nd purchase for referring a friend.</p> <p>Order process &amp; payment terms; 50% pay before services &amp; complete in a month.</p>	<p>After sale, pre-sale service; receipts, complaint, consultations,</p> <p>satisfaction questionnaire, events, inquiries.</p> <p>Dedicated attention; Specific needs.</p>

Table 4: Operations to enhancing value for Exclusive Events startup (2017)



From the presentation for business value chain as discussed above, the startup shall immerse its activities, the startup shall coordinate primary and support activities to attain organization mission and value creation to clients, also for developing an effective business model. Moreover, the value chain shall enable the startup to minimize expenses for its operations and purchase of products to be able to produce services to its clients at the lowest possible expense while at the same time provide excellent quality value for services to the events clients.

### **Infrastructure to the case startup business**

The infrastructure to the case business shall comprise of resources both physical or intangible that shall facilitate the achievement of business goals. The key infrastructure to the business shall comprise a professional and capable management team to oversee the overall activities of the case startup business to provide value to consumers. Moreover, the business shall have routines for operations. Moreover, the case business shall have an organization arrangement to link coordination of different departments within the business to achieve organizational goals. Together with the management, each department shall coordinate in communicating information to other departments to enable smooth flow of activities. For instance, the finance department shall coordinate with event planning department for budgeting of upcoming events and evaluation of pricing decisions with customers.

Additionally, the finance plan to the startup is an important asset as it shall enable the business to be aware of its startup operational costs. The financial department shall make decisions for budgeting and pricing decisions. Additionally, since the startup business deals with frequent interaction with clients, it shall establish an access point for clients visits by establishing the business at an accessible location within Nairobi. In conclusion, since ethics and business culture dictate the system for operation and conduct in trade activities, the startup shall operate with attention business culture and ethics to safeguard its missions and image. The culture to the business comprise of professional conduct, quality service, time management, risks management and employee service. On the other hand, ethics shall comprise safeguarding interests of business stakeholders and the environment.

### **Human resource management**

The human resource department to the case business shall be tasked with selecting and interviewing staff to the business. After choosing the best interview candidate, the human resource team shall train and monitor progress of new staff. Moreover, human resource shall monitor employee activities, communicate business values and goals to employees, decide on salary appraisals and remuneration, bests employee performance awards and promotion decisions for employees.

### **Technology development**

The startup business shall integrate technological tools to facilitate efficient service provision to its target market. The startup shall have a professional designed website whereby clients could check appointment time and book appointment personally prior to visiting the business premise for consultation about their desires. The online booking system is intended to save customer time for unnecessary travels. Moreover, as the business grows, it shall include an online chat platform for customers to make queries about services and receive instant response from the sales team. Additionally, to provide unique service to customers, the business shall integrate an event planning software that shall be accessible to clients. The events software shall be availed to the clients helping them to put their ideas for design for events they like to have virtually. The software shall have tools for design features, theme coloring and lighting effects. Furthermore, the startup management shall monitor

technological advancements in events industry and assess the capability of the startup to integrate the technological advancements in the business. Technological tools for events for example shall be drone technology for video and photo shoots. Moreover, to facilitate optimization for the business search engine, the startup shall use Google Analytics tool to track and report website traffic activities.

#### **Procurement for resources**

With communication to the management, the finance team shall discuss budgeting expenses to purchase business equipment's, and events products. Technology shall be integrated in the purchase process to buy directly from manufacturers and producers of products to reduce expenses for of intermediaries. Moreover, for procurement, the management to the startup shall select the best partners to provide goods and equipment's to the business, moreover, negotiate price with producers of products and strike the best offers for commodities.

#### **Logistics to the business**

The logistics to the startup is crucial to ensure event success in execution of activities and delivery of goods and equipment at event cite in good timing. The management team shall handle logistics issues together with the accounts department. Purchase deals, bargains and order for commodities shall be handled by the management team, on the other hand, the finance team shall make the budget getting calculations. This organized handling for orders shall ensure the business does not run out of supplies for commodities it requires for events.

#### **Internal logistics to the case startup**

The inbound logistics activities for the startup shall comprise activities for purchase of goods and services, filing of receipts by accounts department, management negotiations for best price offers with manufacturers for products and equipment for events. Wherever possible, to minimize additional expenses for intermediaries, the business shall use technology to purchase directly from manufacturers, thus eliminating the costs for warehousing. Furthermore, the management to the startup shall establish strategic relationships for the business with manufacturers and producers for goods and services for the startup, through creation of trust atmosphere by negotiations, signing contracts, observing business ethics in choosing partners who observe business ethics and social responsibility in production, since the culture to the startup embodies ethics and social responsibilities into its activities. Additionally, the accounts department shall assist the management in calculations for purchase costs and budgeting needs for the whole business.

#### **External logistics for the case startup**

The startup outbound logistics shall be activities facilitating delivery for final output for the case business services to its customers. For delivery of final service to the clients and event attendees, the business shall organization with a transport company to transport attendees to event venue at an agreed charge. Moreover, transport company shall offer support service to deliver event equipment and other products to the event venue at the scheduled timing. Furthermore, for event services that the business is not in position to deliver by its self-outsourcing by collaborating with reliable business partners shall be accomplished through bargains for pricing by the management with partners to Exclusive Events startup. Outsources services shall comprise of catering service involving food and beverage preparation, delivery to venue and hospitality. Additionally, other services shall comprise security management by a security firm, risk analysis and management for risks consultation from business consultancy firms. Moreover, hiring for technicians to fix technical equipment's for events comprising the visual outputs, voice equipment, lighting effects and security scan machines. Furthermore, the startup shall use technology to purchase online directly form

distributors event items required for event venue like decorations and flowers to reduce intermediary expenditure.

### **Operations for the startup case business**

Exclusive Events startup value chain operations are activities and processes done occasionally or as daily routine, enabling the startup to produce and deliver quality service for event client, at the same time observing ethical standards, organization culture and stakeholder interests. Operation activities are as discussed:

### **Market research and service design**

For Exclusive Events startup to enhance consumer value for its products, it shall conduct occasional market research by way of questionnaires online or by print questionnaires to the clients, to get more insight about client desires and needs. The survey shall comprise different questions for each customer target group since the nature of service varies as the business shall deal with clients with different needs. After surveys are collected, the marketing department with the management to the startup shall analyze the information and brainstorm on the best solutions and unique service design for events, that the business can organize for its clients. Service design features shall comprise unique customer preferences and optimization for technological advanced tools at events like live high technology video recording machine for shooting videos and drone technology for photoshoot. Questionnaire's shall be a maximum of five questions, comprising three open ended questions requiring short response and two closed ended questions requiring yes or no answer. (Appendix A.2 gives example for survey questions for wedding event clients for case the business).

### **Customer service**

The startup customer service activities shall consist activities for customer visitations at business premise, for inquiries and discussions about their needs and specifications for upcoming events. With facilitation of technology, customers shall be able to check for free time at the company website calendar and book appointment prior to visiting the business premise to be served.

### **Event design and venue selection**

The events management and planning department for the startup shall manage activities for designing unique events to suit client taste, by collaborating with clients and obtaining client ideas for event design through availing event planning software to clients for clients to generate their event ideas virtually. Client ideas shall then be generated into reality for organized events, however, possible recommendations by the event staff shall be given to clients whereby client ideas re unrealistic or exceed the set budget limits for an event. For selection of venue for an event, the business shall choose strategic locations that are easily accessible to event trainees with attractive canaries for environmental or landscape features. Selection for event venue ideas shall be accessed from venue manual provided by the startup also from online website sources. (Appendix A.4 showcases example for event decorations to be made by the startup business).

### **Events order processing**

The management team in collaboration with the staff for the startup shall receive customer orders, document client orders in the business online filing system to follow the progress of event activities and manage time, launch event planning process and execute tasks for upcoming events. Each employee shall be assigned task to do, moreover, team work shall be implemented in planning activities to produce the best results for client events. To organize

activities and manage requirements for events easily, the startup shall use lists for requirements and detail tables to access required information easily.

(Appendix A: Table 6, shows example for filing records for events order and processing to be followed-up. Appendix A.1: Table 7, indicates sample for events checklist to organize requirements for events).

### **Employee learning and innovation**

The startup shall encourage employee learning and adopt innovation for service provision and event design to its clients, to optimize customer satisfaction and value perception. Employees shall be encouraged to participate in event planning seminars to acquire more skills, moreover, the human resources department shall train all employees during operations occasionally to enhance their skills in provision of services and organizing events for clients.

### **Safety and risk management**

Safety and risk management for the startup, also for event venue management shall be an important aspect for the startup. The management shall foresee activities and decision-making process for safety and risk management to the startup in coordination with the risk management committee. Risk management process as discussed earlier by the author to this thesis shall comprise of evaluations for business objectives to gain best risk and safety solutions, risk identification, risk analysis, evaluation for risks, mitigation for risks, monitoring and documenting risks and decisions for treatment and communication and consultation about risk management and solutions to business stakeholders. Furthermore, the startup shall seek advice services from business consultant firms to mitigate and assess its risks effectively.

### **Marketing activities**

Since the startup has not established its brand in the events industry, marketing shall be an important element for its operations, to inform target market about the business, its culture and value provisions. Since the startup has tight budget, it shall opt for less expensive but effective marketing platforms. Marketing tools shall comprise of online social media platforms like Facebook business page and advertisements, LinkedIn for the business to connect the startup with other business organizations, Instagram for picture uploads and Snapchat. The social media shall be a platform for communication about value provisions with target clients and followers to the business through live chats and for customers to make enquiries about services or the startup.

Other marketing techniques shall comprise of advertisements by strategic placing of business advertising board outside the business premise, signing up to community forums with other businesses to connect to potential business clients, producers and distributors for services. Moreover, the startup shall print flyers and distribute to passersby near venue during launch to create awareness to clients about existence for the startup. Moreover, questionnaire to analyze customer value perception and preferences, shall be distributed to the clients for the business online and at the business premise for answering.

### **Sales activities**

Sales activities offered to clients to the startup shall comprise of pre-sale and after-sale service. Pre-sale service shall comprise pricing quotation information to clients, communication for value offers, evaluating business terms and signing contract agreements before commencing event planning, discussion for budgeting for events, order processing follow-ups and event design preference discussions. After-sale services shall comprise follow-

up on clients to get information about customer satisfaction, after completion for event planning services.

#### **Customer incentive strategies**

For the startup to increase sales revenue, it shall adopt strategies for sales to attract and retain clients. Incentives shall for instance comprise of percentage discount to clients on next purchase for service after recommending friends to hire the business services. Moreover, when the startup expands to large size business, other loyalty schemes for instance shall comprise gift card award to loyal customers or free luncheon treats.

#### **Order processing and payment terms**

To finalize sales to customers, Exclusive Events startup shall ensure that orders for clients are tracked and actions for execution for plans are in order with agreements between the sales service personnel and clients. Furthermore, frequent reporting for progress for events shall be communicated by the sales team to clients. Moreover, clients shall be given a platform to check information for the progress for their upcoming events at the company website, by signing into personalized user account information availed to the by the startup. Payment terms to customers for the startup shall require clients to pay fifty percent of the original pricing for event management service, and the remaining fifty percent later after completion of an event, maximum within three-week duration. Contract for service shall be signed by the business and clients after sales agreement has been concluded.

#### **Service value offer**

The startup business intends to focus its service value strategy to provision of excellent customer service, with special dedication to serving clients at individual levels to satisfy specific client needs. Clients shall have an opportunity to choose time that suits their schedule to be served at the business premise by the customer care personnel. Moreover, as discussed earlier, pre-sale and after-sale services shall be offered to clients. Prior to purchase for service from the startup, consumers shall be well informed about the features for the startup services, types of products it includes for maximization for event design, payment terms and account information for the case business. After-sales shall be activities for consumer follow-ups, sending thanking notes to clients for choosing the business for service, and distributing questionnaire to clients visiting the business premise and through business website occasionally, to seek information about the best way to serve clients, to access suggestions for best design ideas and solutions for events from clients. (Appendix A.3 gives example for thanking note to customers for seeking services from the case business).

### **8.3 Model discussion for Exclusive events startup**

This section shall discuss information that shall contribute to developing a successful canvas model for the startup case business. The author shall discuss in-depth all the core components of the model canvas for the business and design an actual model canvas for the startup business. Moreover, the author shall also design a value chain analysis model for the startup as well to be able to identify the value the business shall offer to clients.

According to discussion by Hollensen (2014,29,34,37,43), business operations strengthen competitiveness and work in harmony, in areas for production and service delivery. Production activities for value chain help to make products while services solve problems. The author has designed a canvas model for the startup by adopting a template design for canvas model by Donna (Donna 2013). (Table 5 and 5.1 below showcase the business design for case startup, Exclusive Events).

The Business Model Canvas				
		Team or Company Name: Exclusive Events startup	Date: 05/05/2017	<input checked="" type="checkbox"/> Primary Canvas <input type="checkbox"/> Alternative Canvas
<b>Key Partners</b> <ul style="list-style-type: none"> <li>• Security firm e.g. G4S</li> <li>• Event sound and lightning e.g. HomeBoyz</li> <li>• Other event commodities like cutlery &amp; utensils; e.g. Tyskys, Nakumatt supermarkets</li> <li>• Florists</li> <li>• Catering business e.g. Bonds Garden Restaurant</li> <li>• Insurance firm</li> </ul>	<b>Key Activities</b> <ul style="list-style-type: none"> <li>• Event management and planning</li> <li>• Building partnerships</li> <li>• Marketing business; Facebook, brochures, business cards, website</li> <li>• Negotiating with suppliers and distributors</li> <li>• Learning and market surveys &amp; service reinvention</li> <li>• Event design &amp; decorations</li> <li>• Consumers satisfaction survey, assessment &amp; complaint handling</li> </ul>	<b>Value Proposition</b> <ul style="list-style-type: none"> <li>• Event planning and management consultation</li> <li>• Unique service provision</li> <li>• Consumer engagement in event design</li> <li>• Event services for:               <ul style="list-style-type: none"> <li>• Private personalities events; weddings, anniversaries.</li> <li>• Corporations; employee amusements, seminars, product launch, business forums</li> <li>• Public corporation events</li> </ul> </li> </ul>	<b>Customer Relationships</b> <ul style="list-style-type: none"> <li>• Personal assistance at contact point (business location)</li> <li>• Dedicated attention to specific needs</li> <li>• After-sales service; follow-ups, satisfaction survey</li> <li>• Consumer participation to event design</li> </ul>	<b>Customer Segments</b> <ul style="list-style-type: none"> <li>• Public</li> <li>• Private personalities</li> <li>• Corporations</li> <li>• Public corporations</li> </ul>
	<b>Key Resources</b> <ul style="list-style-type: none"> <li>• Employees</li> <li>• Management</li> <li>• Capital</li> <li>• equipment</li> </ul>		<b>Channels</b> <ul style="list-style-type: none"> <li>• Sales executives</li> <li>• Social media; Facebook, LinkedIn, Instagram</li> <li>• Business premise</li> <li>• Email and telephone</li> <li>• Website</li> <li>• Print media; brochures, business poster,</li> </ul>	

Table 5: Developed model canvas for Exclusive Events

<b>Cost Structure</b> <ul style="list-style-type: none"> <li>• Salary</li> <li>• Office lease</li> <li>• Startup registration fee</li> <li>• Miscellaneous</li> <li>• Event Equipment's</li> <li>• Office equipment's</li> </ul>	<b>Revenue Streams</b> <ul style="list-style-type: none"> <li>• Private person's events</li> <li>• Public events</li> <li>• Corporations events</li> <li>• Public corporation events</li> </ul>
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Table 5.1: Developed model for Exclusive costs structure and revenue streams

#### 8.4 Exclusive Events services and products

During first year of operations the startup business shall its services by introducing and specializing on private person events with expectations for arranging mostly weddings. Additionally, the startup business shall offer event services for small to medium businesses. At the second year of operation, once the startup is confident enough that it has accomplished successful results for its operations, it shall introduce for the second phase public organization events mostly targeting trade unions and government agencies, large private companies and public events for entertainment. Amongst the large target customers for official events shall for example comprise shopping malls within Nairobi like Galleria mall, Sandton City mall, for big companies, Exclusive events shall target clients like Safaricom Limited, Bidco Africa Limited and Kengen hydroelectric company.

Moreover, the startup shall offer event products to clients who have limited resources to hire event planning services. Products for events shall comprise of event planning manual and toolkit for decoration including recipe instructions and theme suggestions. Moreover, other products shall be used for business benefit in operation, like event planning software for clients availed free of charge to clients for the business during event planning duration.

#### 8.5 Partners for the business

The startup shall seek other businesses to supply it with services and products to be able accomplish its goals; for planning and organizing requirements for scheduled events. Moreover, management to the startup shall review decisions for choosing preferred businesses to serve the startup needs occasionally, to be able to acquire suitable partners for the business, who shall provide quality products and services to the startup at an affordable pricing.

The startup business has selected several partners to offer various services and products to the business. Because acquiring good quality equipment for events is expensive, Exclusive Events shall consider acquiring partners to distribute the business with event equipment it lacks at the initial year of operation, to minimize the expense for buying all equipment at once which could strain business funds. Among the best supplier for event products and DJ services for the startup shall comprise established events and entertainment companies who have quality equipment, like MOSound events company and Homeboys Entertainment Limited company. Other partners shall comprise hired catering services from; Bonds Garden restaurant, business consultancy service; Lartech Africa Ltd, security; G4S company, flower vendor; Floral Interiors Ltd.

## **8.6 Main business activities for Exclusive Events startup**

Exclusive Events business shall implement activities to its operations daily and on occasional basis, to enable it achieve goals for operations and execution for planned events. Daily administrative activities shall be for Event planning and management service; to design, plan to choose venue location and organize events on behalf of clients, receiving clients visiting the business premise for meetings and briefing about upcoming events and answering enquiries to clients. Marketing the business shall be done on frequent basis as the startup opens to create more awareness about services to clients; through online advertisement at business website and social media, moreover by printed handouts and business cards that shall be distributed randomly within Nairobi. The manager and accountant shall work together to make budget decisions and orders for services and products to be bought from other businesses for preparations of events and for business operation needs. Constantly, the startup shall offer training to its employees to enhance their capabilities for providing excellent services for event planning to customers. Additionally, the administration for Exclusive startup shall investigate event management industry occasionally, to identify new developments in event management business.

## **8.7 Measures to enhance value to clients for case business**

The startup business shall use sophisticated tools to enhance service to the clients. Clients to the startup shall be able to have self-service by making payments online to local banks that have partner agreements with the startup, booking appointment time at the business website for meetings with events personnel, adjusting grace period for making payment for accomplished events online at the business website. For the startup to serve client needs for events effectively, the startup shall be established at an accessible location, to enable customer visits for purpose of being attended to by event specialists. Additionally, the startup shall launch a business landline for operations, to serve clients for inquiries and discussions for important messages. Moreover, a forum for online discussion with clients shall be established by the business at business website and social media platforms and for marketing services that clients can hire from the business.

## **8.8 Customer categories for case business**

Target customers for the case business shall be categorized for official events and for casual events. Official event clients shall comprise mainly of companies, both small and large-scale companies and public organizations. Casual events for the startup shall be organized for the public and for individuals. Services for target customers to the startup are numerous, hence the startup shall start by providing event management services for individuals and for private companies for a certain duration of time until the business becomes stable. Later upon maturity, the startup shall purchase more event equipment, hire more employees and add more services to its portfolio; to manage events for the public and the public organizations.

## **8.9 Platforms for case business to reach customers**

The case business shall include physical and virtual and platforms to communicate to its target customers about its existence and about products and services available. Among the most important means to reach customers to advertise the business and for holding discussion forums with clients shall be the business website and online platform for social media content like Facebook and Twitter. Officially, the startup shall use its website and LinkedIn page opened to build the business network by connecting with other businesses and target customers. Offline means to communicate with customers and market the business shall be through business email, business landline available during official working hours. To facilitate further reaching clients for the business, the startup shall assign employees for



sales to act as the representatives for the startup in communicating with clients and to offer service to clients online and at business premise. The premise for the business shall be open for serving clients.

#### **8.10 Customer relationships for startup business**

The startup business shall keep good associations with its customers through use of several methods that shall be practiced almost daily. First, Exclusive Events startup shall ensure that all its customers are satisfied and happy with the service they receive by having customer service persons to tend to clients visiting the business premise and for receiving calls to the business from clients. The customer service employees shall ensure enquiries, complaints, or client suggestion messages are listened to and necessary action is taken for client messages and discussions. Moreover, other measures to enhance association with customers shall be through requesting clients to fill questionnaires about satisfaction for the services they have received once an event has been accomplished or to clients visiting the business premise to be served.

Additionally, other platforms for direct communication with clients shall be by social media sites for the business. The startup shall also work with clients to generate ideas for their desired events and possibly to design and develop personalized event themes that clients prefer. To protect clients from transaction frauds, the startup shall encourage its clients to use encrypted payment services when making payments to the business, for example through PayPal application for making online payments to businesses. Moreover, the startup business shall ensure that the website for the business is well secured from virus threats and that all the virtual information containing client's details is secured as well, to protect client information from being accesses by online hackers who could cause distress to clients by defrauding clients.

#### **8.11 Sources of Revenue for Exclusive Events startup**

Exclusive events startup business depends mainly on offering events service solutions to generate income. From event planning services offered to corporations, public organizations, private organizations and individuals, we shall charge a fee. Decision for pricing will revolve around many factors such as expenditure, our base fee for organizing the event, economic force related to social status of the event hosts. Firms and government organizations shall contribute the largest part of our revenue whereas individuals shall be charged moderately depending on their budget, however the pricing will be realistic not entirely basing on individual customer decision but also basing on our business expectations as well.

Moreover, the startup shall provide event planning toolkit to customer at a standard fee, moreover any event designed open to the public, an entrance fee shall be charged. Free events organized by the business shall generate revenue to the startup from charging a commission to vendors selling products at the event to attending guests wherever the events are entry free for instance most trade fair shows shall be entrance free.

#### **8.12 Key Resources to the startup**

Key resources for the startup are the most important assets that the business owns that enable it to undertake its activities flexibly. For the case business, key resources shall comprise of the employees, the management, startup capital, business equipment and furniture and premise, events equipment.

#### **8.13 Employees for Exclusive Events startup**

During the initial stage for establishment of the case business, employee number shall be minimal and further increase to personnel shall be reviewed by the management team as the business continues to develop and demand for services increase. All employees shall comprise the

management team, event planners, and an accountant. The business shall have approximately 6 employees at the initial stage of development, inclusion of the startup founder. Moreover, when organizing mega events requiring more personnel, the startup shall hire temporary employees from recruitment agencies to facilitate efficient service provision to startup client.

#### **8.14 Startup capital**

Budget considerations for the startup shall be an important tool to enable Exclusive Events business to accomplish its goals. Startup budget capital shall be provided by the business owner from own personal savings and considerations for more funding from other external sources shall be considered depending to business needs. The startup business shall consider outsourcing capital from banks, and through government loan schemes with low interest rates aimed to supporting young entrepreneurs and businesses. The startup capital shall comprise budget for equipment, business premise lease, employee salary, miscellaneous expenses, business registration fees and taxation.

#### **8.15 Equipment and business premise**

The startup shall acquire event equipment from manufacturers for goods to facilitate event activities. The equipment shall comprise for instance audio equipment like speakers, film projectors, video cameras, lights and stands for lights. Moreover, when the business is well established, it shall acquire tents for its outdoor events to minimize the expenses for hiring from other businesses. Moreover, the startup shall select a strategic location for its premise, accessible easily by clients within the Nairobi city.

#### **8.16 Cost structure to the startup**

Startup costs shall be the most crucial budgets that the business requires for successful launch and for smooth flow of activities. Calculations for cost structure shall be like the startup capital calculations. Comprising of; employee salaries, establishment for the business, miscellaneous expenses, equipment acquisitions, business registration expenses office equipment and office lease. Employee salaries shall be a total of 600,000 Kenyan shillings for the whole year. The startup estimates to purchase assets for the business worth 966,122 Kenyan shillings; inclusion for office furniture and equipment, business van plus event equipment. Moreover, startup registration costs are projected to be around 28,000 Kenyan shillings. The startup shall also set aside cash for miscellaneous expenditure about 30,000 Kenyan shillings. Other expenses incurred from business operations such as equipment hire shall also be funded from cash for expenses. Further discussions for startup costs and calculations shall be discussed later in this thesis at the section for financial considerations to the startup business.

#### **8.17 Revenue streams for Exclusive Events startup business**

The case business, Exclusive Events startup shall generate income from its event management activities and selling event products to small scale events for individuals. Revenue streams shall comprise of event products such as event planning guide manual, events party package comprising of; decorations, event planning guide manual, recipe suggestion for food and beverage and offered to individuals at a set affordable price. Moreover, other revenue sources to the startup shall comprise of event planning services charges for private corporations, public corporations, the public and individual personalities. Furthermore, other revenue sources shall comprise hire services for event equipment to other businesses or personal when the business has no events to organize. The startup estimates to price event manual and toolkit at 5,000 Kenyan shillings each. Furthermore, the startup business estimates to price its events between 200,000 to 500,000 Kenyan shillings per each event, pricing shall be set

also depending on the scope of an event. The largest revenue contributor to the startup shall be private corporations, public corporation and the least contributors shall be the public and private personalities. Exclusive Events startup business projections during establishment is estimated to organize a total Of 20 events each month. Most event activities organized shall be focused on medium to large corporations which form the largest source of revenue to the startup.

## **9 Startup budget and revenue calculations for Exclusive Events**

Since the case business shall be established in Kenya, calculations shall be made in Kenya currency(shilling). The calculations project startup expenditure and budget. Information from the calculation shall give the startup an estimate for budget expectations and offset further investigation by the finance department to the startup to analyze the projected growth and revenue in the future.

### **Important assumptions for calculation**

The startup budget calculation has been made through online sources information for pricing to products, estimates by the entrepreneur for expenses the business shall incur to buying service or products. Since the startup is at initial stage for development, it considers hiring some equipment, services and other products it may need for events to minimize expenses for buying. Later at development when the business is well established it shall acquire all the equipment it needs for operations. Moreover, the expense calculations are not mandatory as the final costs, as the business is established, the management shall try as much as possible to gather information and measures to reduce expenses and upon realizing existence of other affordable products with same quality, the business shall change the purchase option for affordable pricing. The links to sources for estimating costs for startup have been indicated in the references list.

The startup capital shall be from the entrepreneur saving, government loan for young entrepreneurs, the bank. Owner equity at the beginning shall be equivalent to 2400000 KES, government loan at 50000.

## 9.1 Startup Capital needs to Exclusive Events startup business

### Administration Expenses

### Total Kenyan Shillings (KES)

Office lease 1 year	600,000	
Employee Salaries 1yr	600,000	
Prepaid Insurance 1yr	60,000	
Website design	8,000	
Website URL host by web.com 1yr	8,599	
Total	1,276,599	1,276,599

### Business registration costs:

Company name reservation	100
Company registration application	10000
Business permit for sole entrepreneur	15000
Business permit application fee	200
<u>Business seal registration and acquisition</u>	<u>3500</u>
Total registration cost	KES28800

28,800

### Advertising, marketing costs:

Facebook monthly advert	8599
Business sign post design	3500
Business cards	5000
<u>Flyer material cost</u>	<u>3000</u>

Total 20,099

20,099

### Business assets

### Business equipment:

Office furniture	30000
Telephone	7000
Laptops	100000
Printer	30000
Microwave	6000
<u>Business van</u>	<u>400000</u>
Total	573000

573,000

### Event planning equipment:

DJ system- Pioneer 1	73,643
Microphones	10,000
2 Loud Speakers	50,000
2Speaker stands	10,310
Lights and light stands	40,000
Video camera- Nikon	72,169
Projector	40,000
Generator	80,000
<u>Projector screen</u>	<u>17,000</u>

Total 393,122

393,122

Other expenses:		KES total
Electricity monthly	2500	
Internet monthly	4999	
Stock	60000	
Stationery	3000	
Miscellaneous	30000	
Event equipment hire	50000	
Total	150,499	150,499
Cash at bank		557,881
<b>Total Capital need</b>		<b>3,000,000 KES</b>

### Source of Money

Owner capital:

Owner investment money	3,000,000
<b>Total capital investment</b>	<b>3000,000 KES</b>

## 9.2 Source of capital to the startup business

At the initial opening point startup capital shall be equivalent to 3000,000 KES from the entrepreneur long-term savings. Considerations for further capital sources shall be considered once the business is established and need for more cash to operate the startup arises.

### **Important assumptions for events organized and pricing for events.**

The startup business assumption is that it shall produce 20 events per month at a price between 200000KES to 500000KES per event. On average the startup shall expect to generate revenue of 7000000 KES per month from event planning. Additionally, for sale of event manual and toolkit, the startup shall expect sale of 100 event manuals combined with toolkit at 5000 KES per manual combined with toolkit totaling to 500000 KES revenue per month. Total expected monthly revenue generation shall be 7,500,000 KES.

### **Pricing for startup business event planning.**

The pricing technique used by the startup as adopted from (Entrepreneur Media and Kimball 2015, 131) shall be by the formula;

Fee for service= Event cost+ Commission

The startup shall add all its expenses and then conclude a commission percentage for example 20% of the event cost. Example if cost for an event is 300,000 KES, business commission for 20% would be;

20% of 300,000 =  $0.2 \times 300,000 = 60,000$ . Hence the total fee for service would be event cost+ commission.  $300,000 + 60,000 = 360,000$ . The final charged cost to the client would amount to 345,000 Kenyan shillings (KES).

### 9.3 Break-even point for the case business

For the startup to break even, at the very minimum it shall have to generate 4 events each month, total revenue of Kenyan shillings 1,400,000 each month. The break-even has been achieved by dividing projected fixed costs to the difference between average price for events and variable costs to an event. Assumptions for break-even point is that the startup shall have projected fixed costs for the following:

Projected fixed costs:

Rent 50000 per month

Advertising 40099

Insurance 60000

Internet 4999

Salaries 500000

Electricity 2500

Total fixed costs= 657,598

Further assumption is that the business shall have standard price for events between 200000 per event to 500000. Total average price is therefore  $(200000+500000)/2= 350000$  Kenyan shilling price per event. Break-even calculation with example from Brian R. Lazarus 2011, been achieved by formula;

$$\text{Break-even point per unit(event)} = \frac{\text{Fixed costs}}{\text{Price} - \text{Variable costs}}$$

$$657,598 / (350000 - 180000) = 4 \text{ units(events)}$$

$$\begin{aligned} \text{Break even in shillings} &= \text{units (events)} \times \text{price} \\ 4 \times 350000 &= 1,400,000 \text{ KES.} \end{aligned}$$

For this calculation, units are represented by events since the startup deals with event planning service.

### 9.4 Balance Sheet for startup

Current Assets	Kenyan Shillings (KES)
Prepaid Insurance 60,000	
Stationery 3,000	
Stock 60,000	
<u>Cash at bank 1,910,878</u>	
Total 2,033,878	2,033,878
 <b>Fixed Assets</b>	
Business equipment:	
Office furniture 30000	
Telephone 7000	
Laptops 100000	
Printer 30000	
Microwave 6000	
<u>Business van 400000</u>	

Total 573000	573,000 KES
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Event planning equipment:

DJ system- Pioneer 1	73,643	
Microphones	10,000	
2 Loud Speakers	50,000	
2Speaker stands	10,310	
Lights and light stands	40,000	
Video camera- Nikon	72,169	
Projector	40,000	
Generator	80,000	
<u>Projector screen</u>	<u>17,000</u>	
Total 393,122		393,122 KES

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<b>Total Assets</b>	<b>3,000,000 KES</b>
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#### Liabilities

Loan 0	0 KES
Interests 0	

#### Owner Equity

<u>Capital from owner savings 3000,000</u>	<u>3,000,000 KES</u>
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<b>Total Liabilities</b>	<b>3,000,000 KES</b>
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## 10 Conclusions and recommendations

The present research discusses the development process for the startup by design of a business model. Further, the discussion expounds on the development stages and procedures for operations and design for the startup business model canvas. The model canvas covers vast topics like consumer value perception and consumer relationships.

The author concludes that the model could be viable for use to operations by the startup as it covers most aspects that the startup requires accomplishing before launch. Further, the author recommends that further research needs to be done to assess the scope of event industry in Kenya, since research information about events industry in Kenya is limited, a lot of information available is focused mostly to the tourism sector since tourism is a major contributor for revenue in Kenya. Moreover, the research could be further demarcated into tasks for researching target market, concerning factors such as preferences for service and event design, to be able to design more effective model for the startup. Moreover, it is recommended that further research to assess the pricing techniques used by present competitors in the market, would benefit the startup to gain an upper advantage by designing effective price for event planning services offered by the startup to clients.

Since the model canvas covers vast topics in the research, for instance value offering by the business to consumers, and consumer relationships by the startup. Further research could give specific information how value offerings by the business affects consumer perception towards the business and consumer decision making process. Moreover, further investigations about impacts for consumer relationships towards a business could enable the startup to develop effective strategies in the future. In conclusion, for more effectiveness, each section in the business model canvas could be investigated separately, and the information obtained to be compiled to develop further the model canvas to the startup.



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## APPENDIX

Appendix A: Table 6: Sample file information about events for Exclusive Events

(Business logo)				
Exclusive Events	Customer orders	For July	Year 2017	
Customer name	<i>Order number</i>	Venue place	State of progress	Deadline for plan completions
Eve Jude	AF200	Oak institute	ongoing	01/05
Elvis Muema	AF 201	Freedom corner	Underway	10/05
Bahati Bukuku	AF 202	Watamu beach	Almost complete	18/05
Jada Pinkett	AF 203	Villa Rosa Kempinski	Almost complete	20/05
Blue Carter	AF204	Hilton	Upcoming	28/05
Amani Rehema	AF 205	Client premise- Villa ridge	Pending approval	1/06
Total events	7			



11 Appendix A.1: Table 7: Sample for checklists to an event for Exclusive Events

Event checklist (Venue palace Event)		Managing personnel Eve	Date 19/04	Yes(v) No(X)
ITEM	NEEDED	Check x /v		
Flowers pieces	20	v		
Waiters and waitresses	15	v		
Host speaker	1	V		
Security personnel	1	v		
Event hostesses	10	v		
Children recreation equipment	4	v		
Fire extinguisher	2	v		
Audio and visual equipment	6	V		
Music DJ	2	v		

**Appendix A. 2: Consumer preference questionnaire for Exclusive Events  
startup**

1. What is your sex? Male ☐ Female ☐
2. Age?
3. What is your most preferred venue facility for wedding event?
4. What kind of technological inputs would you like to have at your event?
5. Would you prefer the business to choose your menu or have self-selected menu for your event?
6. Would you like us to provide for you a host to foresee the flow of program and timing for your event?
7. Do you like to access event software to help in virtual design for your desired event for the business to create into a reality?

Thank you for response!



Appendix A. 3: Thank you note to client for choosing Exclusive Events services

**Thank you for subscribing our services!**

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Dear (customer name),

The management to Exclusive Events and the entire team is humbled by your loyalty to subscribing to our event planning services. It was a pleasure working with you. We hope the results for the event were satisfactory for you. In case for concerns or suggestions feel free to contact us during business hours and we shall consider your thoughts. Your opinion is valuable to our organization as it enables us to deliver excellent services to you. We look forward to working for you another time.

Best Regards,  
The management team,  
Exclusive Events.

#### Appendix A. 4: Examples for event decorations to be made by the startup.

Examples for decorations that could be designed by Exclusive Events



Sample event décor Sunshine Coast- Party hire; Romantic Decoration 2014-2016.



Sample conferences and meeting, The Peninsula Hotels 2017.