Charlotte Philibert

MANAGEMENT AND FINANCIAL ASPECTS WHEN ORGANIZING AN EVENT

Thesis
CENTRIA UNIVERSITY OF APPLIED SCIENCES
Business Management
May 2018
The purpose of the thesis was to provide through a structured plan, ideas about the concepts of accounting, financials and management. There are clear theories on modern financial techniques and practicalities for project management. Each part was including techniques, tools, skills and knowledge to know how to structure a project or event organisation.

It could be seen as a modulate training and guideline to manage a project correctly, and establish different phases to know how to start, and which elements are to take into consideration. The steps were defined thanks to the needs of project managers, and all that must be thought upstream. This showed the feasibility of the project, then all the points on which to focus throughout the organization process, for the period preceding the final realization, to the results.

It also explained how to manage your budget appropriately and how that leads to the success of the event. The thesis demonstrated the importance of financial analysis and why it grasped the health of a project and evaluated its profitability. It provided an overview of the chronology for establishing a budget for the organizational process.

It recounted the transcription of theoretical information in a practical approach during the concrete and real realization of an event, whose initial theme was the promotion of French culture through the organization of a wine tasting.

**Key words**
Budget, financial, management, organization.
ABSTRACT

CONTENTS

1 INTRODUCTION .......................................................................................................................... 2

2 HISTORICAL BACKGROUND OF ACCOUNTING .................................................................... 4
   2.1 Definition and importance of concepts .............................................................................. 5
   2.2 Application of these concepts in a project organisation ................................................... 6

3 THEORIES AND MODERN PRACTICE .................................................................................... 8
   3.1 Project management ........................................................................................................... 8
   3.2 Feasibility study ................................................................................................................ 9
       3.2.1 Analyse the needs for the project ........................................................................... 10
       3.2.2 Establish scenarios .............................................................................................. 10
       3.2.3 Select the scenario .............................................................................................. 11
       3.2.4 Start the project ................................................................................................. 11
   3.3 Diagnose an event ............................................................................................................ 11
       3.3.1 Pre-event .......................................................................................................... 11
       3.3.2 Post-event ......................................................................................................... 15
       3.3.3 Accounting Organization, Management and Control Tool .................................. 15

4 EVALUATING AND ANALYZING A BUDGET ....................................................................... 17
   4.1 Successfully organized event .......................................................................................... 17
   4.2 Practical guide for organizing an event ........................................................................... 19
   4.3 Structure of the financial analysis .................................................................................. 19

5 AN OWN EVENT AND RESPONSIBILITIES............................................................................ 21
   5.1 Upstream ..................................................................................................................... 21
   5.2 Organisation and roles ..................................................................................................... 22
   5.3 Practice and implementation .......................................................................................... 24
   5.4 Financial analysis and results ........................................................................................ 26

6 CONCLUSION .......................................................................................................................... 31

REFERENCES ............................................................................................................................ 32

TABLES
   TABLE 1 Overall of revenues and expenses for the provisional budget .................................. 27
   TABLE 2 Communication expenses ....................................................................................... 28
   TABLE 3 Quiches shopping expenses .................................................................................... 29
   TABLE 4 Bought bottles, Inventory and Result ..................................................................... 30
1 INTRODUCTION

The purpose of the thesis is to provide a useful and concrete guideline for event organisation. This guideline will be used for events since the company has noticed the need of a manual. Managers and financials agents will be efficient and working, based on this guideline, for conducting the events. The parts of the manual collected to the thesis will include mainly a financial side and management of events.

This thesis is an overview of theories and practices to better know how the organisation for an event or project is working, sometimes on an entrepreneurial parallel. It is bringing practical information to succeed the course of the organisation.

The aim is to expose a certain financial structure and its implementation, exposing advantages and risks, through a method demonstrating the different steps in a preparation and directed coordination to manage a project, especially an event. Concentrating on the financial aspect of the project organisation and on the workflow in the company or project management.

Thanks to this conductive line, it is going to facilitate the work of individuals assigned to management and financial functions, even in accounting, as it can help a modulate training. This is a qualitative case study, putting in perspective the practical side to the parallel realization of a professional project and the interdependence of individuals working together to succeed.

This thesis will be also a good tool, and a guideline, to follow detailed and efficient diagrams, enabling to put in practice theory.

The researcher was inspired from several sources, as its personal experience first. Knowing that he previously worked in project implementation, and brought them to success. It also relies on other media such literature supports, internet datas, existing thesis, manuals and guides.

The thesis will be structured as follow:

- Historical focus and main definitions
- Theories and modern practices
- Main principals concerning budget
- Application with the proper of the event
The historical part and the main definitions are divided in two parts, which were added in an application of these concepts in a project organisation. This is introducing the thesis to know what will be discussed, and to better understand the concepts.

Then, the theory side will be focused on project management, and on the different studies and diagnostics related to it. The modern practices are advising and supporting the organizational side, and explaining with details scenarios and event structuration. The main principals are interested to the analysis and evaluation of a budget in an event organisation, as its financials.

Finally, the last part will discuss the application form from theory to practice, reporting essential points of the organisation around an event. Based on researcher’s own experience and the case of a practical activity of the thesis. The conclusion will explain experiences giving feedback and researcher’s point of view, learning experiences and theory and practice conjoined.
2 HISTORICAL BACKGROUND OF ACCOUNTING

Regarding the origin of accounting, according to the history and the naturalization of accountancy and the study realized by Kletz (2018), first traces date back to the times of the Sumerians, Egyptians, Greeks, Romans, towards the end of the Middle Ages and the Renaissance. One can conclude that it is a notion that has always been an integral part of our societies, in order to support the transactions organization between men. Money, taxation, and credit, there are few institutions that have more marked the lives of men, their relations or their progress.

The concern to provide monetary resources at the source of events that have transformed the human condition can be found. Ardant (1976) explained that for thousands of years, the fluctuation of the various monetary transactions has not ceased to affect the life of societies.

According to Kletz (2018), although mathematics was not well developed at the time, and numeral systems were less suitable for visualization of calculations, the management of the accounts remains correct and allow to establish relatively satisfactory accounts and inventories. Therefore, it can be considered as a simples’ parties accounting. Then the time of the High Middle Ages will be a break, because using little writing accounting was done in a very rudimentary way.

Kletz (2018) explains that, then, came the development of trade and bargaining and negotiations. Requiring a more sophisticated accounting technique and the reinvention of cash receipts and expenses. At that time, credits were not very developed but already mentioned as simple extra-accounting help memory. The definitive schema is the double parts bookkeeping systems. The origin of the debits and credits columns were columns «must and have». Then ideas develop and are still the basis of nowadays accounting: how to hold valuables, first stocks and then other movable and real estate. Until the current definitive schema with the creation of a profit and loss account.

Then followed the theoretical works, one of the pioneers was Luca Pacioli in the late fifteenth century with his work the "Tractatus", he is now considered as the father of accounting. According to research by Desbois (2006), Luca Pacioli was represented as the populariser of the double parts bookkeeping systems. His work contains a treatise on arithmetic, elements of algebra and trigonometry, and a summary of Euclid's geometry. Alongside a table of currencies, weights and measures in force in the Italian principalities, one of the components of this work is a bookkeeping course: Tractatus XI particularise de compatis et scripuris. It synthesizes the innovative practices developed by the merchants of the time.
Kletz (2018) shows that the balance sheet appeared in the sixteenth century shows the concern for forecasts, in a summary of balances of accounts. The following centuries focus more on the pure doctrine: what is the nature of accounting. Either based on explanatory processes or even algebraic presentations of the "mathematical theory" of accounts.

According to Clermont (2018) and his article on general compatibility, the nature of accounting can be characterized as an organizational system of financial data of a company or a practical discipline. Allowing to provide in a continuous way and in real time a statement of the financial situation of the company. It is a very broad concept that extends from the receipt of accounting documents (and their processing, classification, accounting, the accounting posting) to the production of financial statements of the company. It is also the bedrock of all management tools, real tools for decision support.

### 2.1 Definition and importance of concepts

Finance covers a field of activity, namely financing. The general definition of this terminology, according to Merrian-Webter (2018), shows that finance consists of providing the money necessary for the realization of an economic operation. This area concerns individuals, households as well as public or private companies, but also states.

In Ardant’s work (1976), Histoire financière de l’Antiquité à nos jours, it is explained that finance’s French etymology is dating from the 13th century in, coming from the current terminology ‘finance’, from the prefix « finer » meaning « finish a transaction and therefore pay ». Then the word knew some evolutions and designates financial resources, from XVIth century it is also relative to money business.

The management or action to manage, originally corresponds to the management of organizations, and develops around 1950 to encompass the issue of management. The courses available thanks to Pellé (2009), explain that the notion refers to the behaviour of organizations: it is the action or the way of managing, administering, organizing something. In short, management is the body of knowledge that drives a business.

According to Pellé (2009), management is also the direction of the collective action. It’s referring to:

- A need to divide tasks and coordinate individuals,
• A need to manage the time constraint, manage resources (human, material and financial),
• Organization: with a group of individuals, which structures, orders, and manages resources, in order to achieve a common goal. The organization is by nature plural and multifaceted.

2.2 Application of these concepts in a project organisation

The success of a project depends on effective management. The time allowed for preparation can be in the momentum subject to the dynamics of novelty and readiness. Although a positive point can emerge because it is also essential to be enthusiastic about the project.

The purpose of the management and finance functions, according to Ecofinane (2018) website (www.ecofinanc.com), is to ensure that the company uses the management systems and methods appropriate to the size and nature of its activities. Whether it has, or has organized itself to acquire in a sustainable way, financial means to ensure its sustainability and development, and that it properly integrates the financial component into its strategic formulation process.

Mansour (2018) explains that the tasks of the management and financial functions tend to manage the resources and the financial means necessary for the exploitation and the activity of the different projects. They are such as the keeping of the accounts (general and analytical), the monitoring of receipts and disbursements, the management of the financial aid, the placement of the released resources. But it is also important to provide financial information to decision makers and operational managers and to fulfil multiple obligations.

These functions, according to Mansour (2018) have different objectives in the realization of a company and for its development, but also on a simpler scale, in the realization of project. For example, to obtain reliable and accurate accounting and financial information, reduce administration or management costs, and have the best cost estimates. But they must ensure that the balance between profitability and liquidity is maintained to control the development of the company or the feasibility of a project.

To study the financial policy of a company is first to verify that it has formulated one. Ecofinanc (2018) shows that every company pursues a policy and makes decisions in the financial field, whether this policy is clear and explicit or, on the contrary, confusing and improvised. The diagnosis aims to study them to ensure their consistency. These decisions focus on the choice of financial resources that the
company needs as part of its strategy.

The financial management, in addition to its advisory role at the time of the strategic orientations (it must indeed draw the attention of the decision-makers on the impact of their strategic choices in terms of profitability and liquidity), will be responsible for the choice and obtaining the necessary financial resources. The essence of the financial policy will be to reconcile profitability and liquidity to ensure the company sustainable development and sustainability.
3 THEORIES AND MODERN PRACTICE

The primary goal of these theories is to explain two main steps for project management. Which happens to be the feasibility study and the diagnosis of the event during its process, the pre-event and the post-event. This also provides different tools and techniques to focus on during preparation, such as the baseline cost estimate, and explains the best way to succeed a project management.

3.1 Project management

According to the Bureau des technologies d’apprentissage DRHC (2003), in the initiation to the fundamentals of project management, nowadays project management is an important concept in any business. The researcher will describe more specifically the financial management of projects. Project management is defined as a process that aims to maximize the financial and economic benefits of an investment. It guarantees accountability and the search for efficiency in the management of resources. It relies on many processes such as financial and management compatibility, financial reporting, and so on. In addition to sub-processes and intrinsic techniques. Project management is also subject to numerous audits.

As explains the Bureau des technologies d’apprentissage DRHC (2003), if it is defined by the use of knowledge, skills, tools and techniques it is to structure the framework of a project's activities and to meet or exceed the requirements and expectations of the parties’ stakeholders. This requires a more comprehensive understanding of the project context and the ability to reconcile conflicting requirements. Such as available resources and expectations, different priorities of stakeholders, defined needs and scope of the project and quality and quantity.

For effective use, in addition to sound management of financial resources, which is the overarching goal, modern and appropriate financial management techniques, with execution and deployment of resources, must be applied, also to conduct regular evaluations, with performance reporting and review process, to reflect some changes to be made. The Bureau des technologies d’apprentissage DRHC (2003) advises to apply the guidelines in a realistic, practical and flexible way, the professional decisions must be judicious, without forgetting to take into account the various constraints.

The information contained in the module, from the Bureau des technologies d’apprentissage DRHC (2003), aims to provide an introduction to the practices and techniques of project management. The
content explains the following information. Firstly, the evaluation, execution and management of the projects to be organized are subject to different financial management standards, such as the three below.

- Standards for execution and individual projects,
- Basic parameters, models and measurement techniques,
- Financial tools, useful reference documents for the evaluation of financial analysis and the financial management of projects.

Secondly, the basic estimate cost has several major components, which must be included in the base cost and which are required for the project implementation, and are incurred as a result of project initiation. Normally, in any project organization, the executing agency has at its disposal a competent staff in the field of project design, which must undertake a feasibility study of the design of the physical operational characteristics of the project. But also to determine the cost and economic benefits of the concerned project. This study can also come back as a cost in itself, the cost of design. It can either be supported before project execution, or in other circumstances be finalized at the same time as the direct organization of the current project. The role of the financial analyst can be to verify the methods, data and assumptions used to determine the base cost of a project and see if it is justifiable and credible. The estimate of a cost is valid only in the following situation: if the quality and the quantity of the goods and services, like the prices of the products, are exactly determined. And that the project does not meet any changing factor during the execution phase. The latter must also be executed as intended.

Thirdly, after the estimated baseline has been determined, it is important to ensure that it is based on correct estimates and reliable information that will remain unchanged. Yet it is likely that this cost may meet certain technical and financial hazards. Therefore, forecasts must be made in the event of unforeseen circumstances, and incorporated into the financial reports, in order to mitigate the risk factors, which are real and can greatly influence the cost of the project, between the start of the project and its finalization and completion. Hence, some margins are expected.

3.2 Feasibility study

According to Dufour (2017) in his factsheet, the feasibility study is asking for rigor and method, it consist in analysing the viability, as the economics and organizational implications of a project, like a launching. But this is a good starting point to work out its plane business.
3.2.1 Analyse the needs for the project

Before everything, this is important to evaluate the needs for the project to make a feasibility study. Dufour (2017) explains that generally, we start from zero so everything has still to be build from the first step. Different kind of material will be needed, ones the needs are listed, it is possible to make an estimation of the required investment for the realization of the project. That makes it possible to analyse its feasibility, before even looking further into the project. If the investment exceeds what the various agents or company can ensure, it is necessary to make evolve the project, change project or find new funding sources.

3.2.2 Establish scenarios

Thereafter a short analyse of the needs, it is possible to go through the scenarios realization step, only if the budget estimation is according to the funding capacity of the project. Dufour’s factsheet (2017) shows that, as for a business plan, set up estimated, in particular financials, it will be possible to integrate communication strategy and commercial strategy.

It is also where it is integrating the consideration of the environment in terms of market. Dufour (2017) also explains that it is necessary sometimes to establish a SWOT matrix (for Strength, Weakness, Opportunities and Threats). Basically, it is a table with 4 boxes divided into two columns in which you enter the corresponding elements:

- The strengths of your project
- His weaknesses
- Opportunities in terms of market
- Market threats (they may concern competition, legislation, technological developments, etc.)

According to Dufour (2017), ones this table is done and analyse, communication strategies can be established, and marketing executed, to test various possibilities. Make forecasts, month by month, even week by week, to visualize the evolution of the project. Typically, to use the example of project creation, this may be the evolution of the provisional budget as the weeks go through. Be sure to establish at least 3 scenarios: an optimist, a neutral and a pessimist. Ideally, a project should hold the road even in the pessimistic scenario. If this is not the case, it is important to review the basics.
3.2.3 Select the scenario

It is rationally difficult to predict what happens concretely in the real world next to the different scenarios, but we must still base ourselves on a guideline in order to try to keep a common thread in the project. As a foundation of the project implementation strategy. Dufour (2017) advises to keep the different scenarios in mind as they can be used to adjust the strategy over time.

3.2.4 Start the project

According to Dufour (2017), the project implementation and its launch is simply a realization of what is established on paper, it is the implementation of the best scenario. If the feasibility study is completed, this step, which is the most feared by the project leaders at the beginning, becomes a simple formality when the preparation for the realization is thorough and solid.

3.3 Diagnose an event

This notion of diagnosis meets several needs that must be assessed during the organizational process, as explains Sedegui (2018). To make information accessible and assist in decision-making. Also to allocate tasks appropriately between the individuals involved, assign responsibilities to facilitate overall management and consider all aspects of the organization. Delivering tools, means and techniques that will facilitate the technical approach in the organization. These modern practices are useful for tracking continuity and managing a project in the best possible way. It will also be explained why in this perspective the role of accounting is interdependent on the notion of diagnosis.

3.3.1 Pre-event

To do and plan an event, the organisation of the approach is paramount because it is important to get a first direction to the project. The planners in this case are excellent agents to explain the reasons and the whole organization.

According to Lehtonen (2016) an event planner could be structured in three phases for the process application. First of all, the preparation phase is about the event concept, the determination of a budget
according to financial means at disposal, the establishment of objectives, a stake holder mapping, preparation of a bid proposal, and then the creation of a study about the feasibility. The detailed planning is useful before the event realization, anticipation is of setting on concerning the location selection, the programme plan, site plan, logistic plan, the recruitment for the team event, contract suppliers, the promotional plan and the financial planning.

Then, to give a good map of the event, we can apply a valuable strategy for preliminary planning, to reach a solid base, with the five Ws, according to Dowson and Basset (2015). The five Ws are the followings: Why, Who, What, When and Where. These questions are essential to define a framework, bring some ideas and get the whole structure of a project.

Lehtonen (2016), shows that ask these primary questions will give answers, even solutions after a reflection, to build an organized event. In an event organization we ask this kind of questions in order to obtain a structure, then when one established the answers to these questions, it is necessary to put several means in place in order to carry them out and give form to the project.

According to Dowson and Basset’s work (2015), every W are achieving a goal, the question Why is arising to find a purpose, the motives and an objective. Who leads to find a target audience, the customer profile and the attendee numbers. What, for which activities, programme and format. Question When is asked to agree on a date and time, on the season, the occasion and the realization of a timetable. The last W is for Where, to find a location, the venue and the surroundings. The Ws are linked together and bring a global explanation of the project.

The role of the financial side, which is one of the most important aspect to start planning and to figure out the budget for the event, is crucial to decide what to do. Matthews (2008) shows how to trace the continuity of a project, as will be shown below, and why it is needed a financial to follow the plan of the incomes and costs.

- Preparing the production budget:
  “This is a process to determine the budgeted production of any period. Determined on the basis of sales forecast, level of finished goods inventory proposed to be held at the end of the year after making adjustment for the opening balance of manufactured goods.”
  Knowledgiate Team (2017)

It can go through different steps, as recasting of sales budget, studying various limiting factors product-
wise analysis, scheduling or studying managerial policies.

- Managing cash flow:
One of the most critical components of success. According to Investopedia (2018), basically a cash flow is movements of funds in and out of the business, these movements can be positive and negative. To analyse and manage the cash flow allows to control the inflow and outflow of cash.

- Making a profit:
According to Johnson (2018), making a profit is reaching a business expansion, and get success of a company, this is in fact the ability to earn a profit, which is generally the key point and the principal objective of any event project. To make a profit, it is necessary to understand the importance of profitability in the business management and of developing strategies that are giving the best chances at remaining profitable. Then it can begin to think about expanding its operations. It is an objective which result particularly in the ability to borrow money, to attract investor and hiring more employees.

- Budget layouts:
According to Inc website (www.inc.com), they are allocation of money on purpose, based on a collective process in which operating units prepares the plans in conformity with corporate goals published by top management. It can also be a calculation of operation profits and returns on the investment it intends to use. In budgeting, there is two dominant forms, the traditional form which is a review of historical performance and a projection of findings to the future with modification. And the zero-based form, creation of a completely new budget from the ground up. The operation must justify and document every item of expenditure and income anew.

- Considering other potential cost:
As explains paidleaveproject website (www.paidleaveproject.org), to find any more potential cost it can go through different steps like to define the parameters of the policy, determine how many employees will be eligible for the benefits, estimate the rate of policy utilization by eligible employees, calculate expected replacement costs and consider the cost of any lost productivity.

Lehtonen (2016) explains that the financial planning in an event organization is impossible to circumvent because it is the essence of the project continuity. The principal objective is by the way the realization of a profit, but the money management is subjected to several variables, that is why the establishment of a planner is inevitable. If it is necessary to manage suitably the success and the proper organization of
the event, the key point is the money management. Each generated expenditure involves a variation of the final result. Accordingly, the planner can research external help or financial support.

In most cases, according to the Bureau des technologies d’apprentissage DRHC (2003), the organization of an event requires external support, the search for these aids is usually necessary. Anticipation of this research is also essential. It is preferable to have a precise plan in advance, in order to demonstrate the seriousness and plausibility of the project, to attract as much outside help as possible. This plan must specify the forecast of costs and revenues in order to obtain a budget accordingly. If the sources of revenue exceed the sources of expenditure in the project enterprise, management and decision-making will be facilitated.

Moreover, the characteristics of a successful project and the basics of the success are related to the objectives definition. In addition to similar objectives with partners that are often synonymous of successful projects and the development of an action plan that allows to understand and contribute better to the project. Specifying all individual responsibilities, assessing project’s needs and helping to take corrective actions during the process. The particularities leading to success are also about communication, which is build on real and continuous members collaboration, to create the link to work together in order to reach project objectives. About a controlled scale, and the support of every speaker and parties-taking, to take care about the priorities and about everyone bringing their support.

As explains the Bureau des technologies d’apprentissage DRHC (2003), the activity calendar is one of the main tools of a project management. It is essential in order to complete the realization of the event, split the project and distribute the tasks between the different responsible individuals.

- Provide a clearer view of the scope of the project
- Review the steps already completed and those which has still to be completed
- Monitor the entire process: the work done, the deadlines and the relative costs
- Entrust specific and time-limited tasks for each member, as for the entire group
- Enlightens everyone on their individual and collective responsibilities.

This calendar of activities, or timeline, highlights the overall action plan. And ensures the evaluation of the time needed to carry out each action or task.

In this context, it is important to define the crucial dates and target dates that are the significant events
in the action plan. This affirms the credibility of the process, maintains the momentum of the project and establishes the respect of deadlines. The key moments of the event must be highlighted, in order to know the most important steps, such as the completion of a deliverable that would constitute the essential or the heart of the event.

A project with a variety of goals requires the collaboration of different individuals and organizations working toward a common goal. So the responsibility matrix is an important tool in relation to project management, it is a way to meet different challenges. Involving each member to assume their responsibilities in each activity, and to manage at best all the elements related to the project.

### 3.3.2 Post-event

Thereafter the event, several tasks still have to be accomplished, as the global evaluation about client felt and the event profitability, a debrief about the unfolding, and finally about the follow up of the result.

For the evaluation process, it is necessary to measure outcomes, tangibles and intangibles, to get a general outline of the event. The tangibles outcomes are concerning the revenues and expenses, in a direct way, it is specific for the budget and financial aspects. Intangibles outcomes are experience measures of the audience or customers and of the staff. These both ways to evaluate the outcomes are important because it shows the general result of an event, that is not only about satisfaction or not only about monetary benefits. An overall vision must be undertaken in order to obtain a relevant and reliable evaluation of the execution of the project.

### 3.3.3 Accounting Organization, Management and Control Tool

A project plan budget is required to provide the best estimation of costs, it is an important resource management tool to achieve the end goal and achieve a quality outcome. The estimation must be as detailed and precise as possible of the main costs of the project. Taking into account salaries, materials, supplies and overheads. This estimation leads to information that will be useful in setting the project plan budget. Then, when the actual expenditures are made and confirmed, they automatically become part of the project and its accounting. According to the document published by Galina (2013), accounting
is a strategic tool. It is an essential and interdependent function for planning, control and decision-making functions. It offers preparation for supervision functions.

Galina (2013) shows that the accountant's role in an organization is organized in three ways:

- it is an instrument of description and modernization of the company
- a system for processing information useful for this modelling
- a social practice inscribed in a set of more or less strict legal constraints.

According to Sedegui (2018), organizational design is a process in which management anticipates and determines the structure and form of the communication system, the exercise of authority and the division of responsibilities, to achieve the objectives.

Sedegui (2018) explains that the change of substance or form must make the organization more competitive. But the reorganization can be positive or negative. On the one hand, it can solve problems. On the other hand, it creates new ones, such as the uncertainty of employees faced with new expectations, in which case it may be useful to apply methods taught in learning organization.

Through the accounting organization manual, management and control tool, Sedegui (2018) shows that the diagnostic must satisfy three needs:

- Facilitate the flow of information and decision-making and also control uncertainty.
- Define the authority and responsibilities by position, in order to hope for some profit from labour division and positions definition.
- Degree of integration desired between departments and individuals.

Hence, according to Sedegui (2018), the diagnosis refers to the framework of the development mission, which is different from the purely accounting aspects. If this latter if analysed separately, it can make the information incomplete and the source also incomplete. It is used to analyse the organization and the accounting procedures in relation to the general knowledge of the company or organization procedures. It is done in the context of a project realization.
4 EVALUATING AND ANALYZING A BUDGET

The objective of this part, based on three theoretical frameworks, is to lay down principles to successfully organize an event, to provide a practical guideline related to the organization and to finally explain the different aspects and the implications of financial analysis. The content is divided in different phases, such as the evaluation of the financial situation of a project, the establishment of a provisional budget, the importance of partnerships and also focuses on the issue of budget creation and its establishment and implementation.

4.1 Successfully organized event

The second chapter of the book Successful organizing an event by authors Anthony Babkine and Adrien Rosier, refers to the consideration of finances in the organization. From the introduction, an extract clarifies the subject very well:

“All the elements that make up the organization of an event has a cost that must be taken into account throughout the process.”


According to Babkine and Rosier (2018), reading a financial situation starts first with the question of where are we going and which directions to take. It is important to consider the counting day new expenses and integrate them into the financial situation. To establish directions, in the first place, it is advised to keep a check on the situation and be attentive to the financial movements generated by the entire organization of the event, this is why the tasks should not be delegate to much. Thus, do not let a third party manage resources without keeping an eye on what is going on. Moreover, the book helps to clarify several question as bellow.

- What is a budget estimation?
It is a financial table listing all the expenses and receipts related to your project for the coming year or in progress. The year concerned is called 'exercise'. It usually corresponds to a calendar or fiscal year. The establishment of a provisional budget is an indispensable step in the development of a company or project management, it is used as a kind of roadmap.
• Why establish a budget estimation?

Because it is a reflection of the health of your company or the project undertaken. The objective is to verify the viability of the project, its performance and its profitability, on the basis of actual and projected figures. However, the budget remains provisional, which means that it is subject to evolutions according to the additional elements. Estimating budgeting is about counting, identifying, and categorizing expenses according to the revenue and then making adjustments to reach the expected balance or margin. But it is important to know that the event is very difficult to pay, even if it depends of its scope. In addition to personal resources it is possible to find additional funding, the event requires needs that can be covered through various public bodies (subsidies) and private (sponsorship, partnership, patronage). It is better to demonstrate the social, cultural, and human impact of the project, depending on the theme of the event. Or find financial guarantees, through a structure that is perennial and has the ability to lead the project.

In the practical execution of this thesis subject, the organization of the event was done through the structure that is the Olivette, which is both a financial support, because it will advance the funds necessary to to import the products that the team wish to make taste, and a local partner to promote French oenology. But also in the concern of the legal framework compared to the project that is wished to be executed, it was crucial to find an establishment which had a license for the sale of alcohol.

So the legal framework, as explain Babkine and Rosier (2018), must be in accordance with the policy of the public service requested. It must also be based on a serious diagnosis of the situation treated. More than the intrinsic interest of the project, it is first and foremost the quality of the diagnosis formulated that must be treated. This requires knowing the problems and the terrain on which implied agents will be active. That is why the human, technical and financial resources required will be allocated by Olivette, after discussing the purpose of the project and its operational objectives. This project corroborates the fact that some institutions are likely to attend the process, to know the means at its disposal and from which it can potentially benefit. Knowing that the latter must have an interest in participating in the project, concerning its visibility, reputation, image, and notoriety.

The partnership established, in this case, according to Babkine and Rosier (2018), is defined as an active association between different stakeholders who decide together, to pool their efforts through a financial contribution, human or even technical, in order to achieve a common goal. Realization takes place between two entities following an exchange of value, whether material or immaterial. It is therefore important to think upstream of companies potentially interesting for its project.
4.2 Practical guide for organizing an event

The researcher will focus on the following issue: how to establish income and expenses to prepare an interim budget? The creation of a provisional budget is characterized by the question "why? ". The three possible budgetary outcomes, according to the practical guide of Branchaud (2009), can be: the realization of a profit, which is logically the desired end, to reach the break-even or "break-even point" or to realize an event at a loss, the expenses being higher than the income.

Branchaud (2009) demonstrates that the creation of the budget starts by compiling the evaluation of all revenues and expenses related to the event. Not to mention the levels of taxation in the amounts entered. It is essential to use one's own experience, that of the team and potential suppliers and partners in order to use the skills acquired by everyone in the required field. Or refer to budgets of similar events that have already been done in the past.

Branchaud (2009) established a list of revenues and expenses with the different budget items to be evaluated and their sources.
- Registration fee: amount to be paid for participants.
- Sponsored Partners: visibility enjoyed by a supplier or a customer in exchange for a free amount of money, product or services.
- Advertising: price requested from a partner in order to insert an advertisement of his company in the program of the event.
- Funding: grant offered from a public or private sector (government or associations).
- Commissions, rebates, or royalties: negotiated with suppliers.
- Fundraising: activity organized to raise funds before or during the event.

For the event organization, Branchaud (2009) explains that there are three categories of expenditure: fixed expenses, non-variable in relation to the number of participants. Variable expenses, the costs of which vary according to the number of participants, and indirect expenses: rent, equipment and travel.

4.3 Structure of the financial analysis

According to the document how to write a financial analysis, available on Docs.school (2018) website (https://docs.school/analyse-financiere.html), financial analysis is the study of a company or a project in
financial terms, based on accounting documents and on economic and financial information about the company, the project or its market. Once the analyses and interpretations have been made, they provide an overall judgment on the financial health of a company or project, management and profitability, and its development prospects.

First of all, it is essential to know the environment of the company. The African Development Bank Group (2018) shows that it is the history of the company, its creators, the evolution of social capital, whether the business sector is dynamic, growing, linked to innovation, etc. The accounts also have specificities according to their sector of activity. The study of competition is also essential.

Then, Docs.school (2018) shows accounting documents are essential, the two main ones are the balance sheet and the profit and loss account. The analysis must relate to the accounts of the last financial years. It is not a question of studying all the numbers and all the accounts, but rather of joining several accounts by adding them together. Like shareholders’ equity, which includes share capital and reserves, fixed assets total tangible and financial assets.

The income statement is essential to explain significant variations or stability from one year to another. Therefore, Docs.school (2018) explains that it is needed to examine merchandise sales, production sold, financial expenses and income, tax charges, changes in inventories, salaries and net income after taxes. In order to obtain an analysis of the relevant income statement, it is possible to use indicators whose calculations are detailed in finance books or on specialized websites.

Docs.school (2018) demonstrates that in order to analyse the management, profitability and financial structure of the company, it is better to use comparison tools. The ratios identify the strengths and weaknesses of the company. We can differentiate liquidity ratios, financial structure ratios, management ratios, profitability ratios and investment ratios. They are always compared with the ratios of the same sector of activity or of previous years of the company.

According to Docs.school (2018) it is necessary to state all the bibliographic resources for performing the financial analysis. The data must be dated and verifiable, this contributes to the relevance of the financial analysis. It is therefore possible to make an overall assessment of the company and its sustainability after rigorously analysing accounting documents and additional information.
5 AN OWN EVENT AND RESPONSIBILITIES

The purpose of this part is to expose the implementation of a real event and concretized in order to support the theory supposed to enlighten the positions around the management and the finances, leading to the success of a project.

5.1 Upstream

This thesis is organized in such a way that the organizers had a joint project at four, the main purpose of which is to organize an event. It was decided to promote French culture and one of the most influential characters of national identity of France is oenology. They thought to organize a wine tasting. After having long sought the best local context, it came out that the law on the alcohol’s importation is complex in Finland. Then, it was decided to share the tasks between organizers, having initiated the project all together and had to have each one has his own mission to better share the project, each member having a subject that is his own thesis, but around a common project.

For this actual thesis, the researcher found it preferable to focus on skills that are already acquired to facilitate his practical work. In charge of the finance and management part. It was decided to rely on its classes and experiences of first three years of study. As well as on various books dedicated to the organization of events. Also on various external sources such as internet links relating to theoretical definitions on the formation of the budget estimations. All these inspirations will be quoted in the references.

The clean of the event is defined as follows: after personal research on the place, the date, and the final establishment we concluded that it would take place on April 13, 2018 in the enclosure of the Olivette which is the host structure. The manager of the place called is the main partner and offers with its hospitality the main framework for the realization of the event.

On the day, the space will be reserved and we will set up the tasting with the theme "The promotion of French oenology" and bearing the name "French Wine Tasting". The positive point of this partnership is the following: any expenses has been covered, from a material point of view thanks to the host structure that had all the necessary, as tables, glasses, and space.

The only investment was concerning communication, which is one of the main axes on which to focus
in the organization, because the theme remains around the promotion and therefore the enhancement. Then, the raw material related to this event is wine, it was thought to cover the expenses which are related to it but from the legal point of view a license is needed in order to be able to import and sell alcohol. This is where the main role of the partner resides, which also bears all the expenses in relation to the wine importation, the purchase and bears the responsibility for consumption. If it had been necessary to store unsold goods, the burden would be on the partner structure.

In order to start the preparations for the event, the first step was to choose French products among those that Olivette is used to proposing to its customers. This choice is to be made on the sites of producers and resellers to which it is attached, and the selection of wines is essential for the tasting. Finally, the choice has been made relative to the advice of the partner, to choose products of the company Alko, so that the customers of the event can then provide themselves in a local radius if they are interested in the tasted wines.

Pricing was a crucial step, firstly it had only been possible to establish a price order, then it was difficult to make accurate forecasts. But as previously mentioned the realization of a budget is subject to many variations.

5.2 Organisation and roles

Each member of the project bears a responsibility, the upstream was organized commonly but for the part of the realization itself, every implied person had a role. Organizing an event requires effective and continuous internal communication as well as concrete progress. We strive to consult each other regularly and to progress by consensus and through our individual and collective actions. Our interactions are crucial for the good development of the project, that is how the upstream of the organization is built with fluidity, each voice is equal to that of others, we collect any good idea to take, discuss, let is evaluate and follow up on it or not.

In addition to good communication, we make sure we are up to date in our research and share our progress. Everyone is responsible for the project by their own investment, so it is important to maintain a group spirit and a permanent motivation. Hard investment is obligatory and we all shared a common goal; we rely on personal skills to divide tasks. From then on, we can focus on our own experiences, knowledge and skills. It is an individual and collective work that is constructive and truly professional.
The aspects of this subject focused on the financial part and the management of the project. The fact is that management is a very important notion because it is the link between each piece of the process, and the economic part of the project was much simpler to tackle. Thanks to the details of the theoretical part, the researcher had the right tools and knew which line to follow.

Overall it was rather simple to coordinate, it was essential to establish a traveling framework in the first place, a procedure to follow, a schedule so. We set deadlines, thought about the project's deadline and the different time-space constraints to which we are subject. In any project organization setting steps seems crucial. In order to better manage the whole, it is necessary to define some basic rules and to set the limits of each step.

Time is a constraint to the organization and it is necessary to avoid the haste, if the challenges are under control by imposing a time, it will be easier to settle them in due time. We are subject to their execution in a lab of pre-defined time, it also allows to go from one stage to another without wasting time, and avoid any delay, or even give time to solve the various hazards related to the event, until its very realization.

After implementing the schedule, we regularly updated ourselves to keep abreast of developments and to coordinate the interdependence of the roles. That is why it was set up this schedule, to keep abreast of the deadlines previously discussed and to respect them. We were each able to update it and make it available to other members of the group. It first featured meetings with the partner and the manager of the Olivette, then highlight time limitations in relation to the launches of the various individual tasks, such as the launch of the communication, the publication of the various questionnaires.

The most important is the final date for the realization of the tasting. Fixed and immutable, it is usually easier to start with this step, then develop the steps backwards in time. Set group appointments were organised and interviews with the structure of the Olivette. This schedule is a very good tool to set the main lines of the realization, and to fix them in time. It becomes a reference tool so that all participants involved in the project are interdependent.

In general, the planning of an event should begin between 3 months to 1 year before the date of the event, depending on its size and complexity. In the organization of this own project, things were quickly taking in hand in terms of preparation, as early as October it has been decided of the theme and the
different possibilities open to organizers. Then the stages began as time progressed in the optics of the project, but the most important ones took place concretely three months before the final realization, in order to anticipate the preparations.

This day as such should also be organized upstream and be scripted, helping to ensure that everything is in place and telling everyone involved what to do and when. Making able to follow, minute by minute and in detail the progress of the day of the activity.

The advice of writing down each step of the event and the time at which it should take place was followed. Noting the work to be done and the name of the individual who will perform it. It is very important that each person to whom a task is assigned receives the script in advance and understands their role. Organize a meeting with all stakeholders to read the process and ensure that everyone has understood. Indicate the actions that must be carried out by the managers and suppliers (the assembly of the room, the installation of the tasting corner, the audio-visual, the various technical supports, the music, etc...).

All actions to be accomplished must also be imagined from the point of view of the consumer, which means putting yourself in the other's shoes, from his arrival until his departure from the event. This helps the fluidity of the realization and its smooth running. The framework must provide a pleasant environment and the primary goal is customer satisfaction and the experience it will gain from that moment.

Each of these tools is essential in the preparation of the whole organization of the project, until its final realization.

5.3 Practice and implementation

The final course of the event took place within the structure of the Olivette on Friday, April 13, 2018. The team arrived an hour and a half early to set up the preparations and install the various media. First to reorganize the space to create fluidity and room in the centre of the structure. The Olivette is separated into two separate rooms that are linked by two openings. The back room was organized with three tables where guests could sit and enjoy their drink. The hall at the entrance was organized in order to make sure to have four main poles. So there was the bar with the crate at the bottom, a table with homemade quiches, and two poles where we served the wine. These two tables were also separated in two divisions.
The initiative, not to serve the wine according to its category but rather according to its region, was taken. Being four students, each was responsible for one or two regions, forming a division. On each table and for each region, an explanatory poster and a detailed sheet of each wine were displayed. The proposed wines could be white, rosé, red, as sparkling.

The organization has gone relatively well, but as explained above, it is still possible to be forced to make last-minute changes. This is why management is subject to many variables.

Indeed, the organizers’ team arrived upstream to take the time to organize the room. The partner who was responsible for buying the wine selected at Alko earlier in the week had sent the details to create the posters. But the fact is that receiving the delivery the day before the event and that some of the selected wines were no longer in stock, so some of the choices had been replaced. Communication the days before the event did not work properly, and all changes have not been noticed properly.

Finally, when the day of the event took place, the various media were ultimately not all accurate compared to the wines offered during the tasting.

It was also found and noticed that some customers can arrive well in advance. The launch time of the event was announced for 6 pm, it was the schedule posted on the posters, in the newspaper, on social networks and also the one announced by the organizers. Yet it turns out that the first guests arrived around 5 pm and objectively everything was not ready yet and the room still had to be set up.

It must react to the unexpected and the team had to deal with the first arrivals in advance, at the same time as finalizing facilities. The whole challenge was not to rush and take things in hand for example by doing a debriefing to reorganize and manage the situation properly.

Finally, at the time of the official opening, customers who had arrived earlier created a certain atmosphere, and the launch was even more fruitful. At the time of departure each pole was prepared, the wines put in the fridge, the cards installed, and each was prepared for its function. The scenario was held and pre-event driven by consistency to meet the schedule.

The entire organization has already paid off, and the project has been driven by the involvement and commitment of each member to respect the various stages of the process.
5.4 Financial analysis and results

It the beginning it was only possible to make provisional estimations: with a potential number, correlative to the project of one partner, of twenty to thirty people being new consumers. In addition to the loyal clientele of Olivette, which amounts to approximately one hundred people. Between thirty to fifty potential customers were expected.

With for entry fee, the right to consumption, a price set at 10 euros per person. This ticket offered the right to three tasting glasses.

Confining to the legislation in Finland which stipulates that an individual must, in order to consume alcohol on Finnish soil, have paid for his entrance or his glass in order to remain within the legal framework.

A reasonable purchase price has decided to be fixed, to import the wine from France, the price range per bottle from 15 to 25 euros. This was the first idea for the project, that is to say French wines importation.

Following an interview with the manager of the Olivette it was decided to create a formula to know the potential profitability of the project. The structure can accommodate from twenty to fifty clients. Following the second idea, it was better to go straight to the company Alko, which has a monopoly on the sale of alcohol in Finland and selected from among various kinds of French wines, a forty bottles to cover the extent of the event.

All expenses were covered and supported by the structure of the Olivette, if the event did not make a profit and happened to be an event at a loss by taking less scale than expected, the owner would be able to store and resell the wine unsold during one of his next tastings.

It remains the main investor and drew the main benefits of the project. In addition to financial profitability, he also benefited in other ways, such as gaining notoriety, free advertising and can consider expanding his clientele and improving reputation of the company.

The first step consisted on make sure of the feasibility of the project, and once various variables evaluated, it was the time to make the budget estimation. Generally, a budget estimation is presented as follow.
TABLE 1 Overall of revenues and expenses for the provisional budget

<table>
<thead>
<tr>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
<th>G</th>
<th>H</th>
</tr>
</thead>
<tbody>
<tr>
<td>REVENUES</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Registration or entry fees</td>
<td>X</td>
<td>500.00</td>
<td>500.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenues total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EXPENSES</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restoration</td>
<td>X</td>
<td>20.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenses total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

It includes the overall of revenues and expenses, in order to get an idea of the provisional budget. With the expected revenues and expenses and their cost. This provisional budget should also be thought considering our low personal resources.

Before the Wine Tasting and after many evaluations, it was considered that it held a high probability to be a successful project and gain.

The only possible account valuations were communication and shopping expenses for the quiches that would be used as accompaniment.

These expenses are presented as below.
Indeed, it was needed to print different media for the pre-event communication but also to create media for the final realization of the event. The final price for the communication expenses was about 21,70€.

<table>
<thead>
<tr>
<th></th>
<th>A4 B&amp;W</th>
<th>A4 color</th>
<th>A3 B&amp;W</th>
<th>A3 color</th>
</tr>
</thead>
<tbody>
<tr>
<td>POSTERS 1</td>
<td></td>
<td></td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Prototypes</td>
<td>40</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supports</td>
<td></td>
<td>10</td>
<td>10</td>
<td>15</td>
</tr>
<tr>
<td>POSTERS 2</td>
<td>9</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TICKETS</td>
<td>10</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>QUESTIONNAIRES</td>
<td>120</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EXPLANATORY CARDS</td>
<td></td>
<td>375</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>120</td>
<td>1350</td>
<td></td>
<td>700</td>
</tr>
<tr>
<td>final price €</td>
<td>21,7</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
And shopping expenses, for the 5 Quiches furniture, came back to 25,06 €. Then, the total cost of personal expenses thus amounted to: 21,70 + 25,06, that to say 46,76€. All these expenses were covered by the partnership with the Olivette, which is deducting the amount of this investment from the final result, after the wine tasting.

Finally, the overall result appears as detailed below. Including the purchase of different bottles of wine, their price, the number of consumers and the remaining stocks.
TABLE 4 Bought bottles, Inventory and Result

<table>
<thead>
<tr>
<th>Bottle name</th>
<th>Number</th>
<th>Price</th>
<th>Sale</th>
<th>Stock</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cremant</td>
<td>6</td>
<td>18,99</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td>Biecher</td>
<td>5</td>
<td>12,9</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Petit bourgeois</td>
<td>4</td>
<td>14,48</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>La fleur rose</td>
<td>4</td>
<td>10,4</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Terres de berne</td>
<td>2</td>
<td>14,98</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Ch. haut mon cahors</td>
<td>2</td>
<td>14,48</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Ch carolle</td>
<td>1</td>
<td>19,98</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Pinot noir</td>
<td>4</td>
<td>15,99</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Rhône, lunar</td>
<td>5</td>
<td>14,91</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>fontesteau</td>
<td>4</td>
<td>16,99</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>37</strong></td>
<td><strong>563,33</strong></td>
<td><strong>26</strong></td>
<td><strong>11</strong></td>
</tr>
</tbody>
</table>

13.4.2018 Number of the purchases (customers) 77
Total sale 928,00
Wine sale 728,00
Result 728-563,33
164,67

Knowing 11 bottles in stock

The structure of the Olivette has thus made a profit of 164,67 € simply on the sale of wine, and 200 € on products of his shop. Knowing that the structure often organizes tastings, it will be easy for it to resell the unsold.

The organizers’ team was compensated for personal expenses and Olivette kept the rest of the profits.
6 CONCLUSION

The thesis subject was first of all to provide an effective guideline for everyone who needs one, and especially for researcher’s own responsibilities in the project of wine tasting, together with four colleagues.

It is satisfying to note that the implementation went very well, following a methodical and professional organization. Each involved member made sure to carry the project and led to its success.

Even for the researcher each chapter of this thesis has been instructive. If it were to be separated into two distinct parts, a theoretical part and a practical part, it would be found that they are still inevitably correlative.

The historical and background part of the thesis was able to comfort the researcher and put order in the various phases of decision, as for the accuracy of the concepts that were prepared to be treat and which formed the major terminologies of the implication, for their transcription in a project management, then the researcher was informed of the importance of monetary transactions in all business exchanges. This is also conducing decisions that result in certain decisions and operations.

Theories and practices demonstrated an efficient utility. It also demonstrates the importance of financial management appropriated technical, in relation to the evaluation of resources and their deployment. As the basic estimate cost, evaluating the quality and quantity of the goods, and measuring the feasibility of the project. This part has seen in the practice of the event, is essential for the launch of the project. As the scenarios and the different diagnostics.

The most specific part of the thesis concerns the budget, its analysis and assessment. Manage a budget gives directions, paying particular attention to each financial movement for an effective analysis.

This thesis project was even more satisfying because of the success of our event, which produced a notable and relatively good profit. Making more than positive the feeling of general satisfaction, after the execution of the project. Knowing that the scope of this event was limited by the means, the success of the theme was still assured, which to remind it was the promotion of French culture through oenology.
REFERENCES


