

5 Sustainable Financial Planning for Event Management

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Learning outcomes

On completion of this chapter, the reader will have:

- Insight into the sustainability challenges facing business and financial systems.
- An understanding of sustainable finance in event management.
- Appreciation of the event finance planning inputs related to event revenues and cost.
- The ability to influence an organisation's success through implementing sustainable finance strategies and steering capital for a sustainable future.
- An understanding of selling events, including strategies for promoting.

Introduction

Events are highly resource intensive, and can have negative environmental consequences such as waste of water, energy and materials. Sustainable finance is critically important to ensure sustainable development by making responsible decisions during the planning, organisation and implementation of an event. Events should be hosted in an environmentally, socially and economically responsible way. Many international companies are making sustainable events an integral part of their tender process. Greening any event should reduce the negative environmental impact, but should also leave a positive and lasting legacy for the local community.

Many event organizers and venue managers would like to reduce their impacts on the environment but may not be sure how to start. It is crucial to involve all of the stakeholders that play a role in the planning or delivery of the event. If there is no commitment from the leadership, efforts may be ineffective and unnoticed. Leaders need to communicate this fact with all other stakeholders to ensure full cooperation. Planning ahead is the single most important element in achieving a successful event. Financial planning aims to identify and realise all relevant factors in as quantifiable a manner as possible. Global sustainability challenges – including climate change, natural resource depletion, and rising inequality – are affecting the commercial environment in a way that presents both risks and opportunities for financing event management activities. This chapter discusses the tools needed to address and take advantage of these challenges. This will help the reader gain an understanding of the current financial system in event management, the social and environmental pressures it faces, and how it can be rewired to create better value for the organisation and society at large.

Sustainable finance planning

Sustainable finance in the context of event management generally refers to the process of taking due account of environmental, social and governance (ESG) considerations when making investment decisions in the sector, leading to increased longer-term investments into sustainable economic activities and projects. More specifically, environmental considerations may refer to climate change mitigation and adaptation, as well as the environment more broadly, such as the preservation of biodiversity, pollution prevention and circular economy. Social considerations may refer to issues of inequality, inclusiveness, labour relations, investment in human capital and communities, as well as human rights issues.

The governance of public and private institutions, including management structures, employee relations and executive remuneration, plays a fundamental role in ensuring the inclusion of social and environmental considerations in the decision-making process.

In a nutshell, sustainable finance is understood as finance to support economic growth while reducing pressures on the environment and taking into account social and governance aspects. Sustainable finance also encompasses transparency on risks related to ESG factors that may impact the financial system, and the mitigation of such risks through the appropriate governance of financial and corporate actors.

Sustainable development principles in event management

Sustainable development connects three spheres of awareness:

- 1 *Economic awareness* – using the assorted assets of a company efficiently to allow it to continue functioning profitably over time.
- 2 *Social awareness* – a community focused approach that includes employee welfare, fair trade and community interaction.
- 3 *Environmental awareness* – making responsible decisions that will reduce an organisation's negative impact on the environment.

The overarching principles of sustainable development which apply to event management are:

- 1 *Inclusivity*: All potentially interested parties in the event are identified and have access to the event.
- 2 *Integrity*: To ensure the highest level of integrity in event production and content, event management is undertaken by event staff with professionalism, regard for the law and without bias.
- 3 *Stewardship*: Taking the precautionary principle into account for all environmental sustainability aspects and resource conservation.
- 4 *Transparency*: Relevant information about the event's operation is available for interested parties as it applies to them.
- 5 *Labour Standards*: Ensuring fair labour and working conditions at events and throughout the events supply chain.
- 6 *Human Rights*: The event supports and respects the protection of internationally proclaimed human rights and ensures it is not complicit in human rights abuses.
- 7 *Legacy*: Leaving enduring benefits (information, behavior change, resources) within the event destination and its community, throughout the supply chain and/or with event attendees.

(Sustainable Luxury Forum, 2015)

The Sustainable Luxury Forum's Sustainable Event Management policy is an excellent example of how an organisation can build a policy upon these principles (https://na.eventscloud.com/file_uploads/032be0e89b02631b8117bc8cf8c8a93c_SLF_2015_SustainableEventManagementPolicy.pdf)