

# 13 The Glamour of China Carnival: Event financial management and sponsorship

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## Abstract

Financial philosophy is one of the most important concepts in successful event management. This case uses a real one-off event as an illustration to show the importance of efficient cost-revenue management and budgeting in event management. It displays the procedures of how to secure financial resources for a planned event, and how to effectively control costs to support the successful hosting of an outdoor culture-themed charity event. Event sponsorship, an important means to improve not only the financial status and but also the event as a whole, is also discussed in the case.

*Subjects:* Event financial management; event budgeting; event sponsorship

## Introduction

### The background

As part of the curriculum for the Tourism Event Management program with a bachelor's degree of Macao Institute for Tourism Studies (IFTM), a real-world event is required to be hosted by each batch of the Year 3 event students. After two years of theory-based study of event planning and management, the junior students apply their learned theories to work out a themed event within one academic semester of about 3 months, starting from the generation of event ideas to the actual execution, and finally to the evaluation of the event project. The whole class of around 20-30 students work as one organisation committee and are responsible for all the functions of an event, namely planning, marketing, sponsorship, financing and budgeting, logistics, HR management, risk management, and administration, etc., under the supervision of a faculty member. Within the course

descriptions, the students have a high flexibility to run their event. They are free to select whatever event theme, choose the platform and venue, and design any activities to present the event theme.

However, to simulate the real-world business environment, the event should be financially self-support, to some extent. The organising class receive only a seed money of 5000 Macao Pacatas (MOP, approximately USD625)<sup>1</sup> from the school to start but must return the same amount after the event. Meanwhile, the school also provides free venue and necessary technician supports for the student event. In essence, the students can pass the course if their event breaks even. However, as a tradition, all the organising classes set up a goal to donate the net profit (if any) from their event to a pre-selected charity organisation which also serves as the event partner, and they have never failed the goal.

### **The event in discussion**

In the spring of 2018, the event class designed a culture-themed event called “Glamour of China Carnival” with the goal to showcase the highlights of the traditional Chinese culture, so as to arouse the young generation’s proud and interest in the traditional culture. In the city of Macao, a once-colony of Portugal and currently a special administrative region (SAR) of China like Hong Kong SAR, western cultures, along with the Japanese and Korean cultures, have great impacts on local people, especially the young generations. Macao residents thus have a motivation and an interest to learn more about the Chinese traditional culture. Meanwhile, among the nearly 40 million tourists (pre-Covid) to the world gaming centre nicknamed the ‘Oriental Monaco’, around 80% were from mainland China. The relationship between Macao and the motherland has been getting ever stronger since the handover of Macao from Portugal to China in 1999, which provides a vast base of customer interest in the Chinese culture for the themed event. To achieve this event goal, the organising committee planned to incorporate various Chinese traditional elements and present them in the form of a carnival combining stage performances, workshops, folk arts, games, food and beverages, and cosplays, to engage the attendees and to provide an immersive experience to everyone. A local association, Best Buddies Macao Association (Best Buddies Macao Association, 2022) was selected as the beneficiary, since supporting disadvantaged minority people is a traditional virtue well-appraised in the Chinese culture.

### **The issues**

Since the early stage of the event planning, the organising class has set a quite ambitious goal because the event proposal had received very positive feedbacks from a few event faculty members. The students didn’t want to stage their event on campus, using the school’s venue and other supports like their precedent classes. They planned to host the event outside of the school in order to increase the event impacts. A popular plaza named “Anim’Arte Nam Van” in the city centre of Macao was picked as the event venue. It is a waterfront leisure hub jointly managed by the Cultural Affairs Bureau, the Sports Bureau, the Macao

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1 MOP 1 ≈USD 0.12