

Title: Events and Ethics.

Date: 6/1/2004; **Publication:** Special Events Magazine;

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LACK OF ETHICS in business is at an all-time high. In the event planning industry, business ethics are crossed frequently - sometimes inadvertently and other times with deliberate intent. Event planners today are navigating a mine-field of potentially sticky situations that can easily blow up in their face. Without a personal, professional and company code of ethics, lines of acceptable behavior are easily crossed.

Ethical employers want to ensure that their employees are above reproach, and that their decisions are not swayed by having received personal perks and favors. And employees want to ensure that they are not being perceived as having allegiances that can be purchased by a lunch, a gift or a getaway weekend. If a destination is selected, it is not payback for being invited on a fam trip or having had a personal vacation hosted, but because it is the right destination for the client. The same applies to the selection of a venue, hotel and airline, and the contracting of other industry suppliers such as caterers, decor companies, entertainers, photographers and rental companies.

We have all heard the saying that there is no such thing as a free lunch, and it's true. That free lunch can be costly if an event does not come off as planned or fails to meet and exceed the client's objectives and deliver return on investment. Knowing company policy and having an answer at the ready helps to prepare those on the receiving end of a questionable request or offer.

NOT THIS TIME

In contract negotiations and contract disputes, clients need to take care not to wave the carrot of future business in exchange for compromises and

concessions "just this time." "Just this time" can you waive the cancellation penalty? "Just this time" can you change the date to show that we called to cancel before the higher penalties kicked in? Before making a request on behalf of a client, employer or colleague, do an internal check to see if what you are asking of others is something that is reasonable or would violate your own personal ethics. There is a difference between negotiating terms, conditions and concessions, and doing something under the table.

Employees are balking at being asked to lie to suppliers or clients. They know their own credibility and reputation are on the line. One event planning company wanted an employee to lie and cover up the fact that a \$100,000 mistake had been made in costing an event. The person who had originally done the costing had neglected to factor union labor costs in for an elaborate move-in, setup, rehearsals, tear-down and move-out, as well as for crew meals. The event company owner wanted the employee to call the client and blame the increased cost on the hotel, absolving the company from any responsibility. The employee said no, preferring to walk away from a company that displayed a lack of ethics.

One hotel was discovered to be charging the full cost of the meal as a cancellation penalty - well outside the dates when the actual food would have been purchased or staff would have been assigned to work - as opposed to charging on the revenue they would have received had the event come to fruition. Had the food actually been purchased, there would have been no dispute. But if the client was paying in full for food not purchased, should they not receive some other form of credit, or did they legally own the rights to the food to do with as they chose?

WHAT WILL IT COST?

What is the cost of the extra profit - gained in what could be perceived as unethical means - against future business? And is it unethical if cancellation terms and penalties are clearly laid out in the contract, and no one bothers to do

the math before the cancellation took place? One event planner negotiates food & beverage prices by piggybacking on the menu of the group going in before his, hoping to take advantage of lower food costs based on the hotel placing bulk orders with suppliers. If the event planner's negotiations result in the hotel then having to pay a higher cost for food because of a reduction in quantity in the food order, this fact would need to be taken into consideration. But it still would not justify the hotel charging in full for food that had not been purchased or consumed. In either case, had the event taken place, the venue would only have recognized revenue from the profit - the difference between the actual cost of the food and the labor, and the menu price being charged.

Some suppliers take very ethical stances. For example, some hotels, while they may charge a cancellation penalty for rooms released from a group booking, offer to credit back the cost of any room resold. They do it as part of how they choose to do business. Rather than reap the reward of extra profit made by receiving money for a canceled room and then reselling it, they choose to reap the reward of being known as an ethical supplier. If the room remains unsold there is no credit, but that is fair - the hotel needs to recoup monies for lost business and having placed the rooms on block hold. The hotel may have turned away other group business during the time between contracting and canceling because they had insufficient rooms available at the time. Neither the client nor the event planning company would have any dispute with that.

Event planning is an industry has been hit hard by the events of 9/11, terrorist attacks, war in Afghanistan and Iraq, airline bankruptcies, cruise lines plagued with unexplained illnesses, SARS, and corporate event and entertaining budgets on the chopping block due to the sour economy and corporations' fear of appearing wasteful to shareholders and employees. The competition for business is tight. Many ethical boundaries are being crossed by suppliers and event planners as each tries to gain a bigger piece of the pie.

MEANS TO DEMEAN

Some hotels are going directly to clients of planners who have booked their client at the hotel for many years, offering the client a better rate or concessions if they book through the hotel instead of going through the planner. Planners are cutting out their DMCs and requesting quotes directly from destination management suppliers that they have met on site inspections. Some suppliers are billing themselves to clients as event planners when in fact their only experience may have been handling the centerpieces or invitations. There are clients who have no compunction about showing another supplier's quote to a competitor or who contact vendors for ideas they turn around and use without contracting the services of the company that supplied them. This type of behavior is demeaning to the industry and demonstrates a lack of professional business ethics and respect for one another.

Professionals in the event planning industry will be seeking to position themselves as leaders in ethical business practices. They will be establishing stringent guidelines with regard to whom they associate with, how they do business and what expected business behavior will be - from themselves, their peers and even their clients. Working with a preferred list - with clients and suppliers who have clearly defined and demonstrated ethical behavior - will become an industry standard.

As an industry, if we want to be perceived as professional, be able to charge and receive fair compensation for our expertise, knowledge, contacts in the industry and results, we must hold ourselves to ethical standards and practices. We need to prepare ourselves for what to expect and decide how we are going to handle unethical requests and behavior, and how to do it with business finesse. We have to ensure that we avoid putting ourselves, our companies, our clients and our suppliers at personal and professional risk by refusing to condone or partake

in unethical behavior. Each one of us has to take a professional and personal stand on what is and is not acceptable business behavior.

Event planner Judy Allen is president of Toronto-based Judy Allen Productions and the author of several books on event planning. This article is based on topics covered in Allen's newest book in the event planning series published by John Wiley & Sons - "Event Planning Ethics & Etiquette: A Principled Approach to the Business of Special Event Management." For more information, visit www.wiley.com.

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