


**JHR VENTURES: A CASE STUDY OF BUSINESS
CHALLENGE IN EVENT MANAGEMENT
INDUSTRY**

By

JAFRE BIN MOHD ARIFFIN

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PART I
CASE DESCRIPTION

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PART II
CASE ANALYSIS

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DEDICATION

I dedicate my case study dissertation to my family that is my wife Mrs. Ros Eliza binti Man and all my children's Muhammad Farid bin Jafre, Nur Fazira binti Jafre and Muhammad Fahim bin Jafre for being there for me throughout the entire my master program and encourage, support and patience with me during my study.

In the hustle and struggle to resolve this case study, a sad day on 26th September 2014 my father in-law Man bin Ngah Kehor passed away. May Allah place him together with the religious peoples. To my mother in law, wife and siblings may Allah give us strength and patient in this test and pathetic moments.

I also dedicate this dissertation to my many friends who have supported me throughout my study. I will always appreciate all they have done for helping me writing this case study a reality.

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EXECUTIVE SUMMARY

This case study is regarding new established company that is JHR Ventures which operated as an event management company. As a new player in event management industry, JHR Ventures have to choose which segment of event management industry they should involve base on their capacity and capability for the time being. Apart of which segment to involve, JHR Ventures main concern is about planning and execution of the events.

Event Management is the core of a million industries, which includes hosting events of different stature and semantics. Personal parties, government and private function have become important social issues that should be professionally managed. These days all kinds of events such as meetings, seminars, exhibition, conferences, product launches everything is organized in well run plan, which is recognized as an event.

The purpose of this case study is to suggest the best way for a new company in event management industry to stay relevant and always come out with new ideas. The conclusion made was that the new company in event management industry should come out new idea instead waiting the opportunity comes in. The author hope with this case study those wish to become an event manager gets a basic idea on how to stay relevant in this fierce competition in the industry.

DECLARATION

I hereby declare that the case study is based on my original work except for quotations and citations that have been duly acknowledged. I also declare it has not been previously or concurrently submitted for any other degree at UMK or other institution.



JAFRE BIN MOHD ARIFFIN

Date: 11th October 2014

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Finally, I sincerely thank to my employer MAJLIS AMANAH RAKYAT (MARA) who provide this program for me to further my study and most importantly my wife Mrs. Ros Eliza binti Man, and my children's Muhammad Farid bin Jafre, Nur Fazira bt Jafre and Muhammad Fahim bin Jafre. Also to all my MARA MBA friends in MGSEB UMK who struggle and support each other during our study.

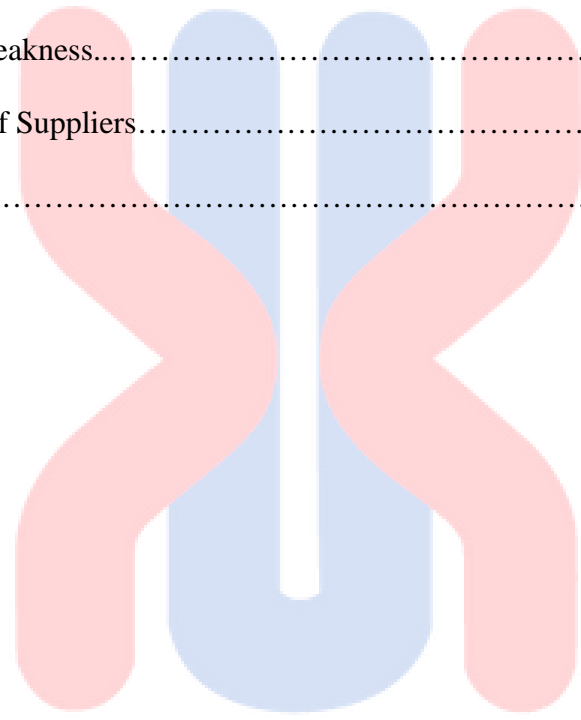
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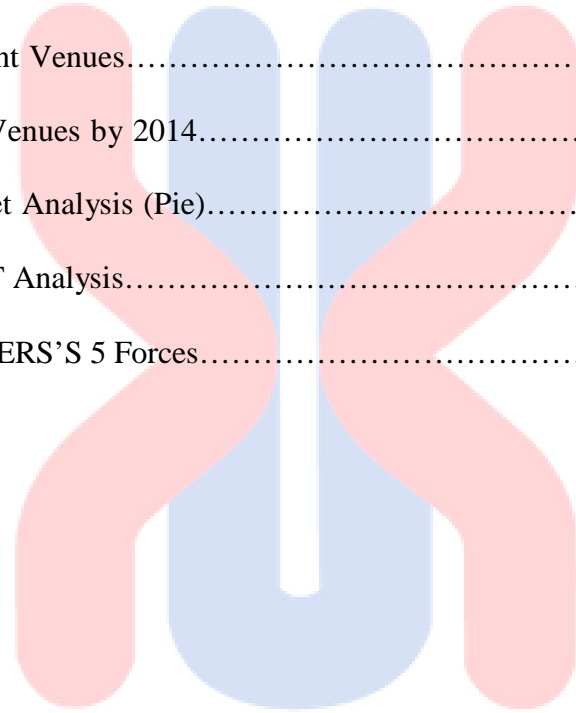
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LIST OF ABBREVIATIONS OR GLOSSARY

The following table describes the significance of various abbreviations and acronyms used throughout the thesis. The page on which each one is defined or first used is also given. Nonstandard acronyms that are used in some places to abbreviate the names of certain white matter structures are not in this list.

Abbreviation	Meaning	Page
MARA	Majlis Amanah Rakyat	1
BPU	Bahagian Pembangunan Usahawan	1
JHRV	JHR Ventures	2
MICE	Meeting, Incentives Convention Exhibition	2
BKT	Bahagian Kemahiran & Teknikal	5
MyCEB	Malaysian Conventional & Exhibition Bureau	18
ICCA	International Congress and Convention	18
Halfest	Halal Festival	47
MIHAS	Malaysia International Halal Showcase	47

Appendix 1

JHR VENTURES

PROJECTED PROFIT AND LOSS

	YEAR 1	YEAR 2	YEAR 3
Sales	353,149	494,670	554,779
Direct Cost of goods	654	727	890
Other	196	203	221
Cost of Goods Sold	850	930	1,111
Gross Margin	352,299	493,740	553,668
Gross Margin %	99.76%	99.81%	99.80%
Expenses :			
Payroll	56,044	63,310	66,560
Sales & Marketing & Others Expenses	146,013	5,700	6,119
Depreciation	110	102	96
Utilities	516	0	0
Insurance	258	0	0
Rent	1,440	0	0
Payroll Taxes	6,725	7,597	7,987
Other	0	0	0
Total Operating Expenses	211,106	76,709	80,762
Profit Before Interest and Taxes	141,193	417,031	472,906
Interest Expenses	235	334	430
Taxes Incurred	33,345	97,924	113,591
Net Profit	107,614	318,773	358,885
Net Profit/Sales	30.47%	64.44%	64.69%

PART 1: Case Description

1. PROLOGUE

In January 2014, during MARA Strategic Plan (2011-2015) Review Conference at Langkawi, Mr. Hasnan and Mr. Rizham, are those who have been selected to be one of the participants to shares and contributes ideas based on their experiences and knowledge to develop new programs and strengthening existing MARA programs. Both of them are amazed with the Conference that conducted by the event management company. From their observation, they found that, the event management company had arranged the tentative MARA Strategic Plan Review Conference smoothly and professionally.

After a few discussions between them, Mr. Hasnan, Assistant Director in MARA Development Industry and Infrastructure Division (BPII) suggested that, they both should ventures into event management business. The reason was due to his experienced involved in organizing many entrepreneurs event in MARA and his experienced in supervising more than 10 entrepreneurs event in the last 3 years, many event managers did not live up as MARA expectation. This point is also supported by Puan Noraini bt Mohamad, Principal Assistant Director in MARA Entrepreneurship Division (BPU). She said, *“At the lobby of MARA headquarters, there was always an event held at this place. Almost every month there were different events organized by different event management companies in promoting various products and services. Each of the events held had their own theme and activities to make it more interesting and different in order to attract public. Some of the events were repeated events that once held previous years. Most of the events*

organize by these event management company did not perform as MARA expected and MARA's top management was not happy with this development and wants Entrepreneurship Development Division to take immediate action in selecting event management company and overcome these problems fast. ”

Event Management falls under The Meeting, Incentive, Convention and Exhibition (MICE) industry. The growth of MICE Tourism Sector is reported by The Prime Minister's Department of Malaysia that this sector has been identified as the potential sector for the growth of Malaysia's economy [1]. This is supported by Department of Statistic, Malaysia, which has declared that in 2008, RM 383 million incomes were derived from this sector. It is also reported that for the next 10 years, there would be an additional of 8,000 job opportunities from event sector [1]. The growth of this sector also creates demand in providing good infrastructure such as hotels, public places and others attractions [2]. It is reported that the total expenditures from MICE in 2008 was RM 327.8 million [3].

Event management can be a lucrative business opportunity if JHR Ventures (thereafter referred as JHRV) have what it takes to succeed. Though it's a seasonal business, it may pay off well when you are really good at your job. But not everyone is wired to serve in this industry, which is why people who excel here have certain traits that make them perfect fit for the industry. Starting out is always not easy, and that is because JHRV are required to accumulate a good amount of experience and JHRV should have a good grasp of what the business is all about.

2. GENERAL COMPANY BACKGROUND



2.1 Company Summary

JHR Ventures (JHRV) which located at Rawang, Selangor was incorporated on 3rd April 2014. When the founders started to develop JHRV, their focus was very simple and clear. They like to challenge the traditional ways of doing things in event planning industry in this region. They want to rejuvenate and modernize the way people run and organize events. The majority of event planners are using manual ways to plan and manage their events. There is plenty of room to improve and via technology, they are confident they could provide them the right tools to automate their tedious work. At JHRV, they really care about their customer. Without them, there won't be JHRV. Because of that, they pay attention to every detail of features that they develop for them. Of course, there are plenty of areas for JHRV to improve and rest assured that "improvement" is always on-going in JHRV and deliver updates constantly so their users can experience the best from JHRV.

JHRV team is growing and expanding with members who are diverse in culture and skills. JHRV challenge every idea and innovation to

bring out the best from each other. JHRV make mistakes, learn quickly from them, and always ask ourselves, “How can JHRV make things better?” JHRV work hard and kick our own back sometimes far beyond our own wanting, but JHRV also want everybody in the company to have fun at what they are doing and at what they are contributing back to the users, customers and fans.

2.2 Vision

Our vision is to ensure client satisfaction and loyalty. We hope that you are so thrilled with your Divine experience that you remember us first for planning your next event.

2.3 Mission

Our mission is to serve our client in all facets of the hospitality and meeting planning industry. Because of our dedication to the pursuit of the most recent cutting-edge resources available in the industry, we offer trained eyes to every detail of the event.

2.4 Key Personnel

2.4.1 Hasnan Harun (Managing Director)

The founder, Mr Hasnan graduated with a Bachelor of Business Administration (Honours) from National University of Malaysia (UKM) and currently pursues his study in Master of Business Administration at University Malaysia Kelantan. Before establishing JHRV, Mr Hasnan works in Majlis Amanah Rakyat (MARA) as MARA District Officer for 6

years, Technical Education Department (BKT) for 2 years and Development Entrepreneurial, Industries and Infrastructure Department for 8 years. He drives the strategic vision and growth for JHRV, evangelizing the promise of creating durable relationships between brands and customers. As Managing Director he brings a unique blend of business acumen, technology prowess and high level commitment to client relationships. Every day he works hard to ensure the agency delivers exceptional brand experiences, exceptional client experiences and exceptional employee experiences.

Leading's business development and marketing departments, he is responsible for the overall growth of the JHRV as well as driving awareness to the company. Mr Hasnan approach focuses on the notion that 'people buy people' and that by developing connections which extend beyond the project JHRV can transform single engagements into long term business relationship.

2.4.2 Rizham Ibni (Executive Director)

Mr Rizham graduated with a Bachelor of Business Administration (Honours) from University Technology MARA (Uitm) and currently pursues his study in Master of Business Administration at University Malaysia Kelantan. Before establishing JHRV, Mr Rizham works as lecturer at MARA Technical College Alor Star (IKM) for 10 years. He always jumped in head to overcome seemingly impossible

challenges in the creative, effective and magically unexpected ways. As an Executive Director and Co- founder of JHRV, Mr Rizham nurtures a good team that works every day to drive the industry forward and deliver creative ideas that help brands spirits past their competition.

A meticulous Planner who personally employs the highest quality control application on the work produce by JHRV operational side, he is greatly adept to media and production management with affair minimum of 10 years exposure to the advertising environment.

Enthusiasm and passion for the job keeps him engaged and always looking to improve process. Well accustomed to the habits and patterns of creative and design, he is very resourceful and trusted to generate and design the blueprints for any kind of communications planning in the industry. His experience and expertise meets the demands of the masses.

2.5 Products and Services

Although JHRV is primarily a service business, JHRV also offer products to aid our customer in planning the events themselves with the support and cooperation from our strategic partners which are ready to serve our customer. The following are the tools used inside our operation for the best possible results;

2.5.1 Canopies



Transparent Canopy



Hi Top Canopy



Pyramid Canopy

2.5.2 Exhibition Items



Exhibition Booth



Queue Stand



Sofa Set

2.5.3 Stage Items



Rostrum



Stage / Platform



Backdrop

2.5.4 Bar Items



Aluminium Coffee Bean Chair



Aluminium Coffee Table



Bar Table

2.5.5 Corporate Events



Annual Dinner



Gala Night



Opening Ceremony

2.5.6 Launching & Road Show Events



Service Launching



Product Launching



Corporate Rode Show

2.5.7 Exhibition Setup



Booth Setup



Indoor Exhibition



Outdoor Exhibition

2.5.8 Family Day / Team Building



Family Day



Team Building



Live Bands & DJs

2.5.9 Party Pack

The Party Pack is a complete kit for any party. It includes decorations, lighting effects guide, disposable theme cameras, cutlery, plates, napkins, cups, punch mix (or recipe), snack supplies (or recipe), tablecloths, theme music (where

applicable), invitations, thank you cards, and a step by step guide to planning, putting together and hosting the event.

2.5.10 Step by Step Guides

These booklets include a calendar to map out the event, a step by step guide on what is needed for and how to put together a successful , worry-free event, resource information, popular refreshments with recipes, games and tips to put their event in the record books. The events available include birthdays for all ages, meetings, retreats, parties and special occasion such as graduations, weddings and reception.

2.6 Company Locations and Facilities

JHRV is located inside the city limits of Rawang, Selangor. For a start, it is a home based business. Most meetings with clients are conducted in social settings, such as restaurants, coffee houses, the client's home, and facilities wishing to be used for the event or over the phone. JHRV will maintain a high degree of professionalism and are equipped with the latest in the business technology, such as telephone system, computer, fax machines, email, duplicators, printers and software.

2.7 Financial Overview

JHRV is a service based businesses require little fund to start up. The start-up cost investment funds were assets from the JHRV partners. It is the wish of the founders to remains a debt-free establishment. However, recognizing that in reality not all variables are controllable, outside financing is a viable option. Both founders own homes and have a good credit rating. The financial planning is important to prepare to evaluate the business ability in term of financing in the implementation cost of business and is also one of the most critical factors of sources to generate all activities in the business. It explained and describe clearly about the return that will be earned from the investment that had been made by the company. Financial planning is very important to the company to shows the cost of the project implementation in order to determine the sources of financing. The company can forecast the cash flow when the business has commenced from year one until year three to see the liquidity of the business. By preparing the profit and loss account (Appendix 1) the company will determine the profitability of the business.

JHRV keys to success include the commitment to quality by every person who is part of the team. Each of us will be responsible to push ourselves to a higher level of professionalism in three areas:

- a. Consistent, accurate fulfilment of client's wishes.
- b. Competitive pricing for the quality of services offered.
- c. Significant profit made on each event planned.

Projection of Financial Performance of JHR Ventures

Table 1: Projection of Income Statement

	YEAR 1	YEAR 2	YEAR 3
Revenue	353,149	494,670	554,779
Cost of Sales	211,956	77,639	81,873
Gross Profit	141,193	417,031	472,906
Net Profit	107,614	318,773	358,885

Table 2: Projection of Balance Sheet

	YEAR 1	YEAR 2	YEAR 3
Current Asset			
Cash	119,063	437,376	809,335
Account Receivable	24,798	34,736	38,956
Inventory	109	121	149
Other Current Assets	0	0	0
Total current Assets	143,970	472,233	848,440
Non-Current Assets			
Long Term Assets	0	0	0
Accumulated Depreciation	110	212	308
Total Non-Current Assets	(110)	(212)	(308)
Total Assets	143,860	472,021	848,132
Current Liabilities			
Accounts Payable	15,146	8,704	9,850
Current Borrowing	3,200	4,280	5,360
Total Current Liabilities	18,346	12,984	15,210
Long Term Liabilities	0	0	0
Total Liabilities	18,346	12,984	15,210
Net Worth	125,514	459,037	832,922
Finance By			
Paid-in Capital	21,265	36,015	51,015
Retained Earnings	(3,365)	104,249	423,022
Earnings	107,614	318,773	358,885
Total	125,514	459,037	832,922

3 INDUSTRY OVERVIEW

3.1 Definition of Event

Throughout history, in cultures all over the world, people have gathered to celebrate for numerous different reasons and events have always been a central element of human society. Human beings in all cultures pay attention to different milestones of life, and all find it important to celebrate such occasions (Douglas, Douglas & Derrett, 2001 & 2011.356).

Even though events have been an integral part of human nature for thousands of years, it has only recently developed into real business. It has become a part of the industry as a key element of special interest, and around the world, units for event are increasingly being established within organisations. As the phenomenon has grown into becoming a possibility of making business, numerous opportunities for professionalism have come to exist and event organising firms are popping up everywhere (Getz 1997.2 16 ; & Douglas 2001& 2011.356).

Event is a diverse world of planned occasions of different sizes and scopes for culture, sport, politics, and business, and also as tourist attractions, events are different from built and permanent ones because of their uniqueness in time and place, as well as the various experiences they can offer. As event is a rapidly growing field of business, there is increased competition between destinations, regions and communities. Hence it has become an essential feature of

marketing strategies among destinations, as events can be beneficial in economic, environmental and social functions of communities. Events are important contributors to the wellbeing of communities. (Getz 1997.22 & 2011).

3.2 Different Types of Events

Events can seem to be endlessly categorised, and one way of defining events is by their complexity, size and scope, and another is by classifying events according to their concept or purpose.

3.2.1. Mega Events

Mega events are the largest type of event, such as the Olympics and World Fairs. This type of event may impact communities, nations or entire continents, as they require massive human and financial resources as a rule (Douglas 2001.356 & 2011). Opinions differ when it comes to defining mega events; they can be defined either in terms of cost, size and image, or in terms of economic impact, or even in terms of international publicity. Some events become mega events by their extensive media coverage and thus they create a strong image for themselves, even though they do not attract large amounts of physical attendants. (Getz 1997.6 & 2011)

However, mega events normally target the international tourism market and yield large attendance. Many times, public finance is involved and facilities are purposely constructed for mega events, and the impact on economics, politics, and the

social community is widespread (McDonnell 1999.11 & 2011).

3.2.2. Hallmark Events

Hallmark events are often of recurring nature and good examples are the Carnival in Rio de Janeiro, the Tour de France, and the Oktoberfest in Munich. Hallmark events are sometimes deliberately kept to stimulate tourism in the hosting community, as the event can enhance appeal, awareness, image and recognition, and thus provide competitive advantages for the hosting community. Increased tourism and revenue may be a consequence of the development of the event into a traditionally recurring event, and with time many hallmark events become synonymous with the host community and its spirit and philosophy, as well as the character of the location and its inhabitants. The host community may gain pride and a sense of prestige and identity by becoming known for their hallmark event. (Getz 1997.5 & 2011Douglas 2001.356; McDonnell & 2011).

3.2.3. The Community Based Events

The community based event is smaller in scale than the Mega or Hallmark event and the market segment it appeals to is also smaller. Community-based events are usually held more frequently than the larger types of event. The celebration of this type of event is typically the way of life within a community or the community's history. These events can

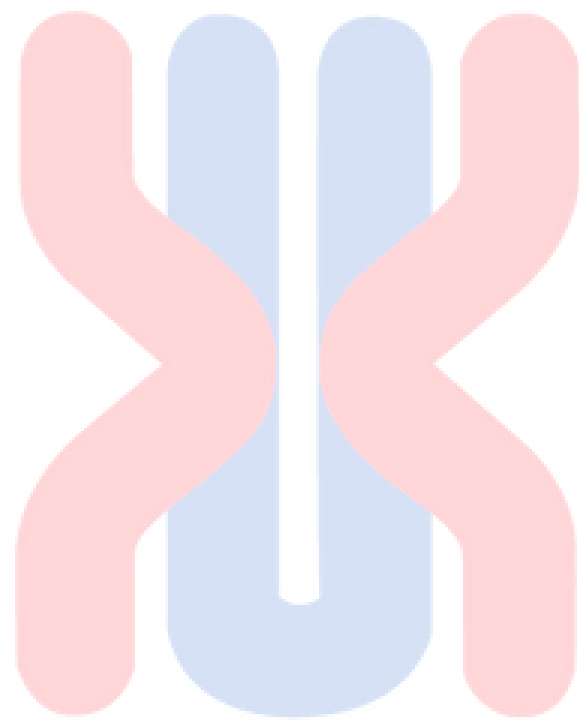
range from music festivals and art exhibitions, to fund-raising events within a community. The events may become regular, as a community tends to have a desire to celebrate its local talents within different fields (Douglas. 2001.357 & 2011).

3.2.4. Classification of Events

To try to classify events is a difficult task because of the immense diversity of events. The figure below is Getz's way of sorting out the major categories and he puts the public types of events in two different columns, and private type of events in to one separate column. Events do not always have to consequently be in one category only, but can fall into two or more categories, depending on the circumstances and aims of the events. Any of the events in the typology table can be special events, but only the ones in the columns of public events can be 'mega' or 'hallmark' events. (Getz 1997.6,7 &

2011)

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