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Department: Sport Management and Communication

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Gultakin Huseynli

“Managing the supply chain of events – exploring strategies and influencing factors  
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## **ABSTRACT**

The master's thesis identifies and demonstrates the importance of supply chain management for events. What are the strategic dimensions when it comes to supply chain management for events and what are the influencing factors for decision making? There may be basic patterns that can be used for all kinds of events, and some may be very event-specific. This research project builds upon a literature review on supply chain management and the specific factors of managing an event supply chain. The study uses expert interviews to investigate the cases of sports event supply chains as well as my own observations on supply chain management.

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## INTRODUCTION

Supply Chain Management (SCM) is the management of the internal and cross-network of organisations involved in upstream and downstream relationships, both relationships and materials, information, and resources. The goals of SCM are to create value, improve efficiency, and satisfy customer requirements.

The service stage in sports, like in other industries, has become so ingrained and dominant in the business that it has become a commodity. Event organizations, like other industries, rely on supplies, and supply chain management (SCM) should apply to them as well. Event organisations face a multitude of challenges regarding supply chain management. To name a few, they are involved in ticketing, brand awareness, logistics, workforce and volunteer recruitment, and transportation management. Hence, supplier selection and supply chain management suddenly become important management decisions for events. In addition, in some sports, these services serve as a means for sports organisations to differentiate themselves in the marketplace to compete with other leisure and entertainment industries and services. Thanks to this development, specialised actors appeared, forcing sports organisations to interact with several participants on the supply side to suit the different types of consumer participants. (2018 EURAM Conference) Supply chain management can be a vital element for developing performance within the sector. These areas are supported by extended suppliers who provide services such as transport, technical support, security, design, marketing and commercial, hospitality services, and catering. To manage the flow of materials and information that customers consume, enhance the suitability of the performance, consider the needs of the audience, etc., and integrate its management with all other activities and challenges that engage with a variety of supply chain relationships throughout the whole event. (see Figure 1)

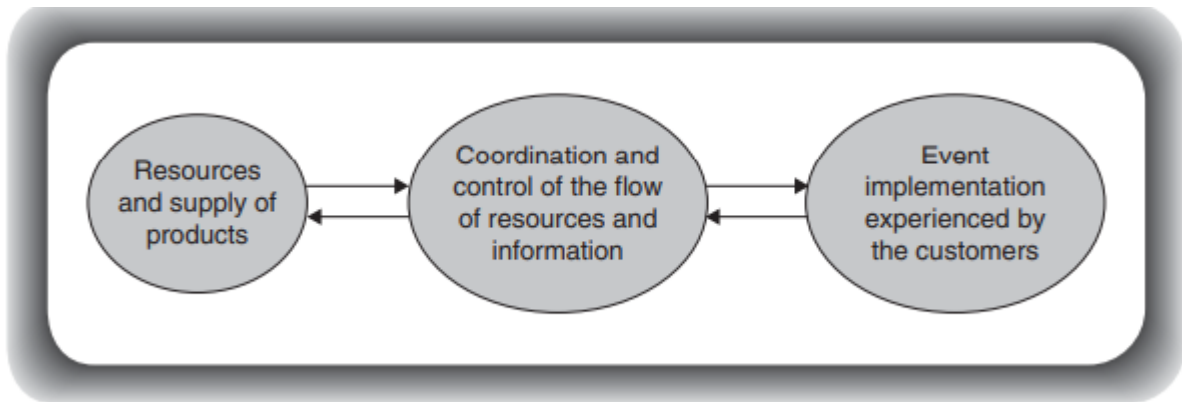


Figure 1. *The supply chain, showing resources moving forward and feedback flowing backwards.*

Source: (Tum et al., 2006)

Numerous ways are taken forward via the event organisation to clients and customers, as well as backwards through various providers and their suppliers (see Figure 2). Taking such a broad strategy and integrating it beyond the organisation may benefit all stakeholders significantly. It should be seen as a chain, with any break resulting in a negative effect on the customer. (Tum et al., 2006)

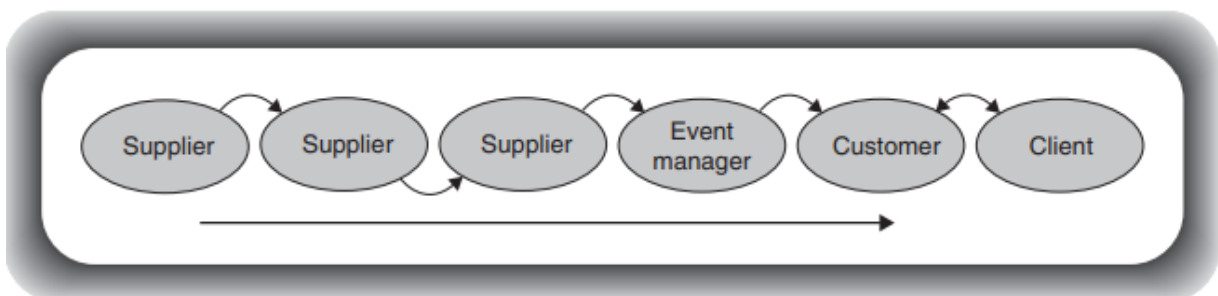


Figure 1. *The supply chain, showing resources moving forward*

Source: (Tum et al., 2006)

The goal is to create an effective supply chain that meets the important success criteria that consumers, the company, and other stakeholders need. The project that the event manager is

in charge of cannot fail, unlike most other sectors. It must take place on time, and there will be no recurrence. A wedding, for example, cannot be redone if the photographer was not hired properly; Nelson Mandela's speeches cannot be rerun if the sound equipment fails to perform as expected, and the Olympic 100-meter final cannot be rerun if the speed recording apparatus fails. If the resources provided aren't good enough, the person in charge of the event usually doesn't have enough time to look for a different provider. (Tum et al., 2006)

### **1. Importance of research**

Competition between supply chains is expected to become an important component of today's globalised competitive business climate (Fawcett et al., 2007). Given the importance of collaboration and building inter-organizational supplier relationships across industries, this paper discusses aspects of event supplier relationship management and strategic dimensions.

### **2. Research questions**

The following research questions will be applied to

- What does the event supply chain look like?
- Who in the event organisation makes supply chain management decisions?
- How to measure the service quality of suppliers?

### **3. Aims of the study**

The aim of my master thesis research project is to identify and demonstrate the importance of supply chain management for events. What are the strategic dimensions when it comes to the supply chain management for events and what are influencing factors for making decisions on

supply chain? There may be basic supply chain patterns that can be used for all kind of events and some may be very event-specific.

#### **4. Possible contribution of research**

The research is expected to increase awareness of the importance of supply chain management in the event industry. Discuss the event supply chain strategies, to examine the relationships that are essential along the chain of suppliers and resources that are under the direct control of the event manager and outsource, have been applied during sports events in Azerbaijan.

#### **5. Structure of thesis**

The thesis consists of main five chapters. In the first chapter, which is referred to as the introduction, the research topics that are going to be explored and studied are presented, along with an indication of the significance of the study and its goals.

The second chapter is referred to as the Theoretical Background or the Literature Review, and it is broken down into five sub-chapters in accordance with its title. These subchapters have a tight connection to the research objectives that were outlined in the introduction. The focus of the majority of the discussion is on the structure of event supply chain management and the techniques that are used. The third one is the methodology chapter, which outlines the procedures that were carried out in order to provide answers to the research questions. The next chapter that follows is called the findings chapter, and it is often applied to the whole collection of results and outcomes that the research produced. The last chapter is titled "Discussions and Conclusion," and its purpose is to summarise all other significant findings,



explain how the results contribute to the overall goals of the research, and explain how the most important discoveries connect to the study's ultimate goals.

## **CHAPTER I**

### **THEORETICAL BACKGROUND**

#### **1.1. Supply Chain**

There are as many supply chain definitions as there are books on the market. The definition that is ultimately adopted must be both informative and limiting. When trying to describe a supply chain, topics like integration, connection, information sharing, communication, linkages, and logistics will come up. All of these concepts are valid for discussing a supply chain, but they are too broad to provide a useful description to someone who is unfamiliar with the concept. We'll start with a one-word definition of "supply chain" and work our way up from there to a more comprehensive understanding. Supply chains are all about moving stuff around, so that one word is "movement." Then, based on this one-word description, we must determine which motions we must monitor. "We need to trace the flow of resources," says the response. (Plenert, 2007)

#### **1.2. Supply Chain Management (SCM)**

Logistics and supply chains are becoming more concerned with the environment, or with being "green" in nature. This happens in a wide variety of contexts and has grown more essential in recent years. Doing logistics "correctly" may have a positive impact on everyone involved (e.g., fewer miles, reduced packaging). In order to do this, it is necessary to be completely aware of the implications of choices made in logistics, as well as to accurately map the processes and activities from both the supply and demand sides of the equation. (Fernie & Sparks, 2014)

Both logistics and supply chain management (SCM) are interesting and dynamic fields that have an impact on our whole lives. Consider how many different things are bought and eaten

on a daily basis. How do they get to the customer and at what price do they do so? Even though logistics and supply chain management (SCM) have only recently gotten a lot of attention, the truth is that they have been around for a lot longer than most people think.

In today's commercial world, logistics and supply chain management (SCM) are critical components, but they are equally crucial in the non-profit and government sectors. Furthermore, even though most of the thinking and practise in logistics originates in the manufacturing sector, logistics and supply chain management (SCM) ideas are being used more and more effectively in the service industry.

According to Fernie and Sparks (2014), logistics and supply chains are becoming more concerned with the environment, or with being "green" in nature. This happens in a wide variety of contexts and has grown more essential in recent years. Doing logistics "correctly" may have a positive impact on everyone involved (e.g., fewer miles, reduced packaging). In order to do this, it is necessary to be completely aware of the implications of choices made in logistics, as well as to accurately map the processes and activities from both the supply and demand sides of the equation.

### **1.3. Event Supply Chain**

Our research is focused on supply chains that are comprised of a supplier and an undetermined number of retailers, which are referred to as divergent distribution networks in our study. The establishment of a framework that enables us to investigate the impact of coordinated ordering and holding by merchants, which results in some kind of shared value, is the major reason for playing a game in which players work together to achieve a common goal (benefit or cost). Using cooperative game theory solutions across a variety of structurally different inventory centralization models, the primary source of worry is how to distribute the value across the

many shops. In this process, we are trying to find good ways to divide up the value, which is important for the long-term survival and stability of the cooperative. (Supply Chain (n.d.), 2008)

When it comes to sport, the high figures don't only apply to revenue: the Olympic Games are widely regarded as the largest non-defence-related global logistical event in history, according to industry experts (Minis et al., 2006). Sport is not limited to large-scale events involving tens of thousands of people or more. These are the off-field activities necessary to support sports teams and events, whether they are professional or amateur, local or worldwide, and they are many and diverse. It is also noteworthy that, despite requests for additional studies on sports OM, OM experts have devoted very little attention to the sports business thus far (Machuca et al., 2007).

The majority of those who took part in the survey believed that off-field preparation was crucial to achieving on-field success. A priority was placed on activities such as arranging travel arrangements and reserving accommodation, as well as recruiting support workers to serve on a temporary basis, since "otherwise the team would not win any medals". On the basis of scale, operating type (amateur vs. professional or financed against unfunded), and budget, there are significant disparities amongst sports operations. The following are some examples of these variances: Smaller amateur clubs didn't look like they had much thought put into how they would run: "There is no planning at all." (Radnor et al., 2016)

Planning takes place at numerous levels and may encompass multiple distinct periods. Thus, a company could have a ten-year plan, a five-year plan, and will undoubtedly have a twelve-month plan—for example, as demonstrated in a budget. There should be a corporate-wide plan, business unit plans, department plans, and at the operations level, the event manager will have medium-term, short-term, and daily plans. It can be noticed in many event firms that the timelines are different for the bigger companies, and their own long-term plans may be just for

three years, medium-term plans for between one and two years, and short-term plans carry them to the end of the current year. (Tum et al., 2006)

Generally, the strategy will need to be backed by goal data, which will include previous patterns, split down into distinct events and different target audiences, and estimates of future demand. The plan may also include budgets for capital equipment, forecasts of cash flow, estimates of profits and losses, needs for human resources and training, needs for a place to meet and for communication, and so on.

Many event firms may be working with yearly events or their future events may not be identical to those that they did in the previous twelve-month period. This makes it hard for the people in charge of an event to predict how much it will cost and how much money it will make if they can't use past performance as a guide. Event organisers will be concerned with addressing current and short-term future expectations. However, reflecting on what happened previously can be useful in planning for the future. It is also crucial that after each event, extensive notes be taken concerning the effectiveness, pros and cons of the event and its management. (Tum et al., 2006)

#### **1.4. Core competencies of the event organization**

Event managers have to make sure that events are delivered at an affordable level, at the appropriate moment, to the appropriate specification and quality, and for the appropriate length. It has already been said that the event should meet a wide range of goals set by a variety of stakeholders, and that in order to do so, the event manager must get all of the resources that will be used to put on the event.

Slack et al. (2004) define the conventional purposes of purchase as the five "rights of purchase," which are described as follows:

1. At a reasonable price
2. To be distributed at the proper time
3. The provision of products and services of sufficient quality is
4. In the appropriate amount.
5. It comes from a reputable source. (Tum et al., 2006)

Even harder to meet these criteria is the fact that many of the resources are bought from third- and fourth-party vendors.

In many cases, there is no designated buying officer inside an event organisation, and many of the employees may develop buyer-supplier ties with a variety of businesses. Some goods may be purchased altogether and become the property of the organisation, whilst others may be utilised on a single occasion. The whole service and system is bought in the case of some of the purchase agreements, such as those with caterers or pyrotechnic suppliers, and the contracted firm will bring their own goods and personnel to the event. All of these connections, as well as how goods are bought or rented, must be carefully managed for the business to be successful, since they are all important. Seeing the organisations from whom goods and services are acquired not just as suppliers, but also as customers, is critical in the business world today. They are clients in the sense that we solicit proposals from them and that we pay their bills on time and with accuracy, respectively. It is important to think of every operation and element of an operation as a network, with each customer's customer and each supplier's supplier being connected to the others. Many diverse supply networks are in operation inside each firm, both internally and across departments. These supply chains may be found throughout the organisation and between departments. Most of those providers in the event sector are specialists, with their own marketplace and set of policies and guidelines to which they have to adhere. The event manager should be able to take a step back and see how all

the different activities and contracts work together to put on the event as a whole and as an integrated network of supply chain partners.

The majority of the organisations are constrained by a lack of financial resources. The financing required comes from the business's owners, its income, and other sponsors. If the owners are not seeing a return on their investment that is at least somewhat realistic, they are going to have concerns.

The event's profitability will be evaluated based on the bottom line in the company's financial statements by its owners, investors, the share market, sponsors, and lenders. The return will be evaluated in terms of value for money if the event organisation is part of a government agency, or if it is supported by the government or the public.

When developing a budget, the most important step is to write down an estimate of all of the possible expenses that will be incurred in the production of the event. The event manager's job is to make sure that the available resources are used in the best way possible so that the organization's goals and objectives are met.

When it comes to the event industry, people are likely to be the most important resource, and because of this, we need to be aware of their capabilities. Specifically, we need to know how skilled they are, how dedicated they are, how resourceful they are, and whether or not they are able to take the initiative. A few of the staff members will work on a full-time basis, while others will work either part-time or just temporarily for the course of the event. Others on the workforce will be paid employees, while others will be volunteers from other groups. Suppliers will provide some of the volunteers.

The space, the information systems, the time, the equipment, the materials, and the vehicles are some of the other resources. The overall capability or competence of the event will depend not only on where it will take place, but also on how reliable the information system and other

necessary equipment are, how reliable the suppliers are, and, most importantly, how good the people who will be there are.

In the field of event production, people often have a mix of the following tangible and intangible resources at their disposal:

People and the abilities they possess

Technology based on information

Transportation

Venue

Devices and machinery

The passage of time, the actual facts, and the data.

Resources

Logistics

It should come as no surprise that not every event will have access to all of these resources at the same time. On the other hand, there will never be an endless supply of resources, and those that are available will typically have both quantity and quality constraints. Any potential increases in their provision will be subject to the amount of funds that are now available. In situations when a lack of financial resources is not a factor, there may be other limitations. For instance, we may need specialised signs or advertising material, but it may be several weeks before we get our order, and that amount of time is not now accessible to us.

### **1.5. Supplier sourcing: single or multiple?**

Companies sometimes decide to give certain tasks to other companies, which are often called "third parties," for a variety of reasons. Some companies outsource because it's cheaper for the outsourcing partner to do the job than for the outsourcing company to do it themselves. Another



reason to outsource is that it gives you more flexibility. The outsourcing partner can provide more or less services as needed by the outsourcer, so the outsourcer doesn't have to use its own resources. The third reason for outsourcing that is often given is that a company wants to focus on its core competencies, or tasks where it is good or has an advantage, and let all other tasks be done by someone else. Lastly, because technology is changing so quickly everywhere, companies may not always have the most up-to-date technology on hand. As a result, they will look for partners who have these technologies. Clearly, these four reasons don't cancel each other out. Any combination of the four reasons could lead a company to decide to outsource. In point of fact, the manager of the event should be investigating the amount of participation that the organisation has with its various providers. Does one provider provide all? Is there a "one-stop shop" where one can purchase many of the necessary resources, or are there a large number of vendors that provide a variety of services for the same event? If the latter is true, then there will be a greater number of supply chains that need to be managed, and they will need to be managed successfully. Because there is not enough time to build loyalty, trust, and a knowledge of each other's needs, it is possible that this circumstance will result in the formation of a large number of fleeting partnerships. In practise, one or both of these policies might be implemented concurrently, depending on the nature of the occurrence. (Tum et al., 2006)

For example, if you were planning a national sporting event, you might hire a global brand wide-sound and lighting firm that creates custom needs for each event, like design and set-building, but you would probably choose a local caterer and security company. If the first choice is made, that is, using a "one-stop shop," then the relationship with that supplier can be strengthened, and both parties will benefit from increased loyalty and an increased awareness of the requirements of the other. (Tum et al., 2006)

On the other hand, we could make the case that a company that is assured of continuing business with an organisation would provide competitive rates in order to maintain that relationship. It saves money by avoiding costs associated with quotation and administration, and it is aware that the amount of staff and resources required to provide the service will be necessary for an extended period of time. If the regular competitive tender process is carried out, there is a possibility that this close relationship will be put in jeopardy. On the other hand, complacency. We can't allow this unique relationship to continue to develop if it will result in our customers' being less satisfied or receiving less value for their money. (Tum et al., 2006)

The formation of strong ties between a company and its suppliers is one of the most important steps in the evolution of a fruitful business relationship between the two parties. The most important type of link is the flow of information. Businesses and their suppliers need to talk about things like product demand, costs, and quality, among other things, in order to coordinate their activities well. (Russell and Taylor, 2008)

A business practise known as "outsourcing" refers to the act of buying goods and services from an external provider that were previously produced in-house. Many businesses are adopting the business strategy of outsourcing in order to concentrate more on their core strengths, or the activities that they are uniquely qualified to carry out. They delegate to a supplier the tasks that are outside of the company's areas of expertise and that the supplier is best suited to perform. Traditionally, a great number of businesses, particularly large ones, made the effort to own and operate each and every one of their resources and allocations along the supply chain. This allowed them to exercise direct management control and cut down on their reliance on potential unreliable suppliers. Additionally, they believed that it was more economical. However, as a result of this, these businesses found that not only were their resources stretched thin, but they also lacked the expertise necessary to perform all of their tasks effectively. In addition, it

was often difficult to manage the unwieldy and complex supply chains that were in place. All along the supply chain, substantial inventories were maintained as a safety net against unpredictability and inefficient management practises. The recent trend toward outsourcing gives businesses more freedom and resources to concentrate on their own core strengths, and partnering relationships with suppliers give them the ability to exercise control over their own destiny. In addition, a lot of businesses are beginning to outsource their supply chain management to nations like China, which have lower prices overall for their products. (Russell and Taylor,2008)

According to Wild (2002), the effect of single versus multiple company sourcing can be broken down into four categories:

1. The price effect. Due to the increased quantity that is required, the price may be reduced in situations where there is sourcing from a single supplier. As a result of the supplier's perception of increased sales security for the required goods and services, it is possible that the price will be lowered as well. But if there are more sources of supply, there may be more competition, which could keep the price at a lower level.

2. The effect on the reliability of supply. By relying on just one supplier for all of its service needs, an organisation puts itself in jeopardy in the event that the primary provider experiences any kind of disruption.

For example, strike action, fire, or liquidation.

3. The Effect on the Motivation of the Supplier. There is a possibility that one supplier's motivation will increase because the supplier will feel valued, which may lead to an improvement in the service that is supplied. Because there may not be much competition for the service, there is a possibility that the quality of the service could deteriorate.

4. The effect on the structure of the market. If the event organisation expands and continues to rely on a single supplier, it runs the risk of developing into a monopolistic situation, which could lead to the eventual elimination of supply and, as a result, reduce the number of options available to customers. (Tum et al., 2006)

Non-core activities are typically considered to be those that are purchased externally and can be outsourced or subcontracted. Non-core activities are defined as those that are not the primary focus of the business. The transfer of control is what differentiates outsourcing from subcontracting as an organisational strategy. (Tum et al., 2006)

For instance, the sports event manager contracts a catering company and a local cleaning company and specifies exactly what he expects them to do as part of the contract. For instance, the catering company is expected to provide a sit-down meal for one hundred VIP guests, and the local cleaning company is expected to ensure that all of the rubbish will be cleared from the site both during and after the event. This is an illustration of the practise of subcontracting, which is a method by which the manager maintains control over the work that is done.

A second illustration shows how the sports event manager for a football championship contracts an outside catering company to handle all of the event's catering needs for the next two months. On game days, the management of the company would like the company to provide a hospitality service, and at the same time, they would like to provide meal service for the workforce. Outsourcing is the term for how the catering company plans to reach this goal and find the resources it needs to make it happen.

When a company hands over control of a business process to a third-party provider, they are engaging in the practise of outsourcing. The concept of handing over control is essential to understanding this definition. This definition distinguishes between outsourcing and subcontracting, the latter of which involves the buyer maintaining control of the process or, to

put it another way, instructing the supplier on how to carry out the work. Outsourcing is defined by the transfer of ownership, which is also one of the primary factors that frequently makes the process difficult and unpleasant. When a task is outsourced, the buyer does not give the supplier instructions on how to complete the task; rather, the buyer is responsible for communicating what services they wish to purchase. After that, it's up to the supplier to take the steps that are needed to get those results.

There are numerous efficient ways to measure the effectiveness of a supply chain, but the most useful ones concentrate on cycle time, which allows for inventory reductions and capacity increases; on-time performance in accordance with customer expectations; and quality, which is the fundamental component of a customer base that is happy with the service they receive. (Plenert, 2007)

Many studies have shown that good supplier relationship management leads to better results and more benefits, especially when it is done over a long period of time and risks and rewards are shared. These partnerships help improve quality, product development, and logistics because the partners can share information about sales forecasts, supply needs, production schedules, and early warnings of problems. This can also lead to higher quality, less inventory, and better planning, among other things.

Motivating employees to provide the appropriate response should be the primary focus of any supply chain environment's measurement system; this should be considered the single most important requirement for an effective measurement system.

The factors that will determine which measurement will work best for your organisation are as follows:

- The aims and objectives of the organisation
- The anticipations and requirements of the consumer

- The reaction that staff members or vendors will have to the measure will be in the form of

- The reliability and practicability of the measurement (Plenert,2007)

Some businesses favour carrying out all of their operations in-house, regardless of how significant or unimportant the tasks may be. The term "vertically integrated" is used to describe this type of business structure.

That is, it can make and provide all the resources and services it needs from within its own borders. This means that it is self-sufficient.

There are some businesses that make the conscious decision to not do anything in-house and instead source all of their requirements externally. The term "virtual company" refers to this type of business structure. (Tum et al., 2006)

## **CHAPTER II**

### **METHODOLOGY**

This chapter is divided into four sections. Each will discuss the research methodologies utilised to answer the research questions. The following are the sub-chapters:

Interviews with the people in charge of the sports event and my own observations from Baku EURO 2020 were used to answer study questions. The case study approach will provide a sort of qualitative analysis that will include the attentive and comprehensive observation of a group of individuals or organisations in order to gather data. The study will start with some sports facilities, followed by the role of the Baku 2020 Organising Committee (Baku LOS) in hosting the games. The next parts of this case study will focus on analysing people involved in the creation of sports facilities and their opinions on how they were built. The final part will include observations and data found out after conducting fieldwork at the sporting venues and during interviews with the sport experts.

#### **2.1. Research methods**

The research technique approaches entail employing one or more data gathering methods, such as interviews with sports industry professionals during major sporting events and personal observation.

It is conducted during the whole game of a sport so that the researcher doesn't miss any important play. The researcher interviews and asks the experts to discuss their observations from the game. Some studies use exit interviews, which happen after a big sports event like the Olympics or football tournament. Exit interviews are similar to research methods in that they collect data through personal observation and interviews to ask about a participant's experiences with what happened during a sporting event's duration.

## **2.2. Expert Interviews**

The Azerbaijani event industry is the primary source of interviewees. Two interviews were held with expert from Baku Euro 2020 and while another participant was from Baku City Circuit Operations Company (F1).

However, since I am now out of the country, interviews were conducted online.

Interviewee 1. Kamran Valiyev, Deputy General Secretary of Azerbaijan Football Federation.

Position for euro 2020 – UEFA Venue Manager

Interviewee 2. Ayan Aghayeva, Head of Communications, Marketing and CSR, State Oil Fund of Azerbaijan.

Former Head of Marketing, Communications and CSR, Spokesperson (Baku City Circuit), Promoter company of Formula 1 Azerbaijan Grand Prix.

## **2.3. Analyzing Qualitative Data**

An interview was conducted with Kamran Valiyev, who is the Deputy General Secretary of the Azerbaijan Football Federation, through email because of a time mismatch. The interview with Ayan Aghayeva, who is the Head of Communications, Marketing, and CSR at the State Oil Fund of Azerbaijan, was online. It lasted 50 minutes, and an audio recording was used. I asked six questions regarding event supply chains and their experience in this field. For the qualitative investigation, two interviews with subject-matter experts were conducted. In the Appendix 2, the questions and answers are listed.

## **2.4. Observation as Research Approach**

When it comes to the sports events, having a supply ensures that there will be no delays in the logistics of the event. Because it is not possible to postpone athletic events because of delays



in supplies. The only circumstances under which major athletic events may be postponed are those involving natural catastrophes, wars, political conflicts, economic crises, and pandemics, as we have seen.

Observation, which gives a methodical approach to the data collection process, is yet another technique for gathering data. Because it enables one to investigate a particular subject or issue in great depth and from a close vantage point, in addition to a specific environment, observation is regarded to be one of the key methods that are used in research. Observation has several positive effects, including the following:

- It allows you to put the desired research method into action
- It allows the researcher to hone his or her data collection and analysis skills
- It is an ideal way to get one's hands on a particular subject or issue, and it produces first-hand knowledge in terms of the subject studied

However, as well-liked as observation is, its shortcomings also exist. It can only be used with certain subjects and issues. Observation isn't always as good as other ways to do research because it has many different parts.

## **CHAPTER III**

### **FINDINGS**

This part of the thesis will be a summary of interviews with people from the Azerbaijan Football Federation and the Baku City Circuit Company. Some questions will be directed to each individual being interviewed.

#### **3.1. Summary of Interviews**

In this thesis, I want to show how important supply chain management is for events and other strategic areas. Interviews indicate that the selection of supply chain suppliers is one of the most critical and delicate stages for events. The process involves the formation of a plan and the making of specific decisions. Event planners came up with the main themes, which included a wide range of services and a good relationship between organisations and suppliers.

#### **3.2. The process in Baku Euro 2020**

I conducted first interview with Kamran Valiyev, General Secretary of Azerbaijan Football Federation and former Venue Manager for Baku Euro 2020. According to Kamran Valiyev, the most important aspect of supply chain management is planning. Thus, an organisation should have a corporate plan, a strategy for each business unit, and a plan for each department. The corporate plan is the plan that looks farther into the future for the whole firm. It does this by determining the organization's goals after taking into account the external environmental elements and weighing those aspects against the organization's own internal capabilities.

“It is the responsibility of the event manager to do an in-depth analysis of everything that is required for each event, as well as to determine which resources and services the client really appreciates. In sports events, we cooperate with various service providers. It is vital to have

everything within budget, within the required time frame, and at the level of needed quality. The main focus of events is on services and proper flow management” (Kamran Valiyev)

Considering a sports event as a way of providing spectacular services (that is, in the course of any sporting event, we generate a "spectacle" that must be realised), it is necessary to identify the event's primary customers. Organizers of athletic events, particularly big tournaments, have many "target" markets, or distinct customer groups. These categories are:

- spectators who may (or may not) attend the event;
- sports organisations or players that may or may not participate;
- sponsors who may (or might not) supply financial assistance for a certain occasion.
- advertisers who may purchase (or not purchase) advertising space for their items.

Therefore, while organising sporting events, a manager must not only be aware of his prospective customers (specific marketing research is conducted for this purpose), but also have professionals in the following areas:

- financial, in order to be able to determine the sources of income, the amount of expenses, and the share of profits, create and maintain a system of financial documentation, reporting, and control;

- management, in order to come up with a reasonable and effective plan of action, a way to keep track of how it's being carried out, choose the right experts and direct and control their work well, and make good use of the money available;

- marketing, in order to be able to find the largest audience, select and negotiate with sponsors and mass media, potential advertisers, etc.;

- the right to make and sign the contracts they need, to deal with disputes as they come up, to defend their interests in court if they have to, etc.

The definition of potential consumers and their requests begins, but does not end, the marketing program. It should also include the following aspects:

- choice of event location;
- selection and formation of a "team", that is, the selection of personnel to ensure the holding of the event;
- setting up a budget for the event and making a plan and programme for tickets;
- work with sponsors;
- placement of advertisements and work with advertisers;
- ensuring the event's safety;
- providing participants with lodging and meals, as well as transportation;
- development of a list of additional services for viewers;
- coverage of the event in the media and accreditation of journalists.

There are two types of order processes in our organization: 1. Internal tender via ERP system, in which all departments involved can present a proposal for the e-decision making process. 2. Public open tender, where we put the bids on our website and the tender committee runs the business. All accepted bids must be opened at a predetermined time and location. This prevents any accusations of injustice or criticism. All bids should be opened and evaluated as presented without previous knowledge of their contents and without providing one firm an undue advantage over another. When the quotations are received, it should be determined if the firms can do all of the requested tasks for the work for which they have been requested to estimate.”

(Kamran Valiyev)

“When we have internal tender order via ERP, Project Manager/General Secretary makes final decision, if we launch public open tender then Tender Committee makes final decision”

(Kamran Valiyev)

According to Kamran Valiyev, when there is an internal tender via ERP, the Project Manager/General Secretary makes the final decision. If an organisation holds a public tender, the Tender Committee makes the final choice. The company should pass the Due Diligence Committee. 2. The proposal should match the defined budget. 2. The proposal must meet technical and quality standards.

The procurement department does market research and defines the initial cost of required services. Based on this information, the finance department sets a budget in advance. This happens before launching an internal or open tender process.

“To measure the service quality of suppliers, every company should apply to the Due Diligence Committee of our organisation before starting cooperation. This committee checks the financial, legal, and professionalism of the company. If a company fails to pass the Due Diligence Committee, we do not involve them in our project” (Kamran Valiyev)

### **3.3. The process in Baku City Circuit**

According to the interview with Ayan Aghayeva, The supply chain for F1 Global Brand is defined from two perspectives:

1. F1 world-wide Supply chain strategy and operations in promoter countries
2. The local promoter's strategy and operations for the supply chain (in our case, Baku City Circuit Operations Company).

The first one implies F1 Global air-fare transportation and temporary warehousing of major supply elements (operational compounds and buildings, F1 bolids, kitchen, broadcast and radio network equipment, trackside time-keeping infrastructure, accreditation passes, paddock security turn-sytyles, special fuel for bolids, etc.). In short, the parts of the race that can't be changed or bought from local vendors.

As to the supply chain of the local organising companies, this is also huge, especially when it comes to temporary city tracks (in comparison to permanent circuits). As in, the main infrastructure of the track such as tribunes, security items (turnstyles, Xray security machines, security tents, office compounds, F1 pit lane compounds (garages, etc), furniture, way-finding signs, security barriers, entertainment units, etc) are retained at local warehouses and utilised on a multi-year basis.

As a best practice, F1 uses 2 sets of transferrable infrastructure and goods to fly to the destination country in the most efficient way from a sustainability and time-cost effectiveness perspective.

Aside from the supply chain streams mentioned above, the two entities obviously use a variety of branding, advertisement, merchandise, F&B, give-away, and entertainment goods and services on a race-by-race basis.

Besides the F1 airfare and warehousing, F1 seeks local market solutions for goods and services that can be supplied via local suppliers (trackside branding, F & B, service cars, offices, accommodation, etc.).

The scope planning, requests, and queries are planned and submitted by each function, communicated to top management, and procured by the respective procurement functions of F1 and the local promoter company. In most cases, the supply chain queries submitted by corporate departments on an individual basis are revised, filtered and joined into groups for cost optimisation and sustainability purposes.

The core competencies of the organisation in field-specific knowledge are:

- Acquiring F1 sporting regulations and applying the statutes of auto-sport and rules of the game
- Running F1-specific marketing and sales campaigns all year

- Running motorsports specific CSR programmes (such as F1 in schools-seeking to instil engineering skills into schoolchildren; zero-carbon footprint competition by 2030; decent work and decent payments in countries where F1 enters with its brand)

- Supply chain management
- Crowd management and security
- Spectator services, etc.
- Ticketing and accreditation
- Media and Broadcast etc.
- Health and safety operations, goods and services

It is mainly based on synergy and collaboration between F1 and the local promoter country.

The Promoter Company selects the suppliers with the supervision of F1.

Often, the supervisor from the F1 side is the strongest in the first year of the country (inaugural races), when the promoter country's practise and know-how is fairly limited. For F1 supplies, the organisation (F1) chooses the suppliers itself with the reference and insights of the local promoter company in terms of the local market solutions. In some cases, the choice of the suppliers is being shaped based on existing F1 global partnerships and sponsorships (DHL for air-fare shipment services, Pirelly for tyre supply of F1 cars, etc.).

The decision maker for F1 applies the global or regional cost-price benchmark for acquiring goods and services in the countries it enters. When it comes to the promoter country, costs are determined based on market research and an open tender process.

“First and foremost, F1 is a luxury sport, and it is a highly innovative and technology-oriented event at the same time. I would say, the price comes last when it comes to key criteria. Here are the most important things to look at when judging the quality of the goods and services bought for the F1 event:

- Luxurious
- time-effective
- innovative and exclusive
- tech friendly
- sustainable/environmentally friendly
- fundamental (360 degree) solution”

### **3.4. Summary of Observations**

The UEFA European Football Championship in 2020, often known as UEFA Euro 2020 or Euro 2020, was the sixteenth UEFA European Championship. Every four years, the Union of European Football Associations organises the European International Men's Football Tournament (UEFA). To commemorate the 60th anniversary of the European Championship, UEFA president Michel Platini announced that the tournament will be organised in eleven cities in eleven UEFA member states.

EURO 2020 gave me the opportunity to gather invaluable knowledge and expertise in the field of supply chain management inside an organisation, which I was able to achieve thanks to my professional work there. I worked as a VIP Venue Manager for the Euro 2020 competition in Baku in 2021. In point of fact, up until this point in my career, I worked in Baku as a protocol manager for several sporting events. Because of these experiences, I've been given the opportunity to get some insight into the process of supply chain management for events. These sporting activities have contributed significantly to my development in the sports sector. It is necessary here to mention that to fulfil the duties of a protocol manager, it is important to maintain open contact with all departments.



SCM is the management of a network of relationships within a company, between organisations and business units that depend on each other. This network includes suppliers of materials, purchasing, production facilities, logistics, marketing, and other systems that help the forward and backward flow of materials, services, finances, and information from the original manufacturer to the final consumer. This helps add value, make more money by being more efficient, and reduce costs.

The importance of the supply chain at sporting events is that there is no chance of logistics delays. Because sporting events cannot be postponed due to supply delays. Major sporting events can only be postponed in times of natural disasters, wars, political tensions, economic crises, and, as we have seen, pandemics.

According to my observations, logistics is the design, implementation, and management of processes for the efficient and effective movement and storage of commodities, including services and associated information, from the point of origin to the site of consumption in order to fulfil client demands. Included in this definition are incoming, outbound, internal, and external motions. Another method to comprehend logistics is to consider its different "rights": obtaining the right goods, in the right manner, in the right amount and quality, at the right location and time, for the right consumer at the right price. The most crucial aspect of this procedure is ensuring the safety of items entering and exiting the venue throughout the supply process. The fact that high-level visitors (presidents, ministers, legislators, businesspeople, and celebrities) are anticipated during athletic events distinguishes their security. If there is no company in the region that meets special security requirements, it is important to involve the country's law enforcement agencies. For example, in the European Championship, stadiums, airports and hotels were provided by state security agencies; the presidential guard, the State Security

Service, and internal troops. Even the medical staff involved in the COVID test was selected by state security.

In transportation, the required number of vehicles must be provided and the requirements must be met. The provision of vehicles in accordance with the requirements of each area should be planned in advance. In Euro 2020, the transport service was ordered from an outsourced company.

Catering: the quality of the food it brings (in our practice, the Azerbaijan Food Safety Agency controls the food.) Timely delivery and disposal of food. For example, lunch should be delivered at least a few hours before the meal. The food did not have to be stored for long after it was brought in, and the storage conditions of the food were specially controlled. Food security is also an important factor. For example, the factors of deliberate spoilage and poisoning of food should be taken into account. On game days and days when there were no games, an outside company took care of catering for both employees and VIP guests, following a plan made in accordance with UEFA rules.

The provision of a cleaning service. Certain portions of the stadium need cleaning by the stadium's cleaning service. The unique security sections were guarded by stadium personnel, who were granted access by stadium personnel. The cleaning of the communal spaces was performed by a third-party organisation. Obviously, these individuals were also chosen via a unique state process. Requirements for cleanliness: clean and uninterrupted work, and as soon as feasible (density of human and technical means for a certain area should be taken into account.)

The quantity of individuals who are employed at the event is just one component of the event's human resources; also included are the employees' levels of expertise and competence, as well as the intangible qualities of reliability and attitude. The personnel does not only consist of

people who are hired by the event for the period of its run, but also includes agencies that have been subcontracted to the event as well as volunteers. In point of fact, all of the personnel working on the event from the time it was conceived all the way through its delivery and breakdown, as well as all of the emergency personnel,

The event organisers were responsible for selecting the recruitment personnel, as they should have been. since only those responsible for organising the event are aware of the demand.

The organisers of the event will also choose the volunteers. According to the requirements, volunteers need to have relevant experience, a strong Personality, and a lot of enthusiasm. It is imperative that the number of volunteers not exceed the There are situations when the event is selected an excessive amount, which might lead to its failure. The more there are, the more difficult it is to keep track of them all. In the course of my job at various events, I have often come across situations similar to this.

It is recommended that the selection of hostesses be outsourced. However, they are trained beforehand and familiarised with the operating concept. It was more convenient for me to train them in the previous competition. We saved time since I was able to contact them and provide the essential recommendations to them more quickly and simply via their management.

Technology and communication (IT): IT should be responsible for the administration of internal business activities. For example, workers' emails, finances, etc. As the size of the event grows, outsourcing is required. When choosing IT firms, the greatest degree of professionalism should be expected. A lot of thought should go into choosing the best local and international providers. Usually, depending on the kind of race, ticketing is outsourced.

Opening and closing ceremonies: in my experience, this outsourcing prepares all events according to a particular programme and scenario based on the local customs and traditions.

An important stage in the preparation and holding of a mass sports event is the development of an event scenario. At the same time, we note that if the organisational side of the event is determined by the regulations, the sports side-by the rules for holding competitions in the corresponding sport, and the emotional, artistic, and spectacular side-by the scenario of the event.

The script is a literary and director's study of the content of the event. As a rule, the scenario of the event includes:

- a presentation in strict sequence and logical interconnection of everything that will happen at the event;
- disclosure of the topic of successive action elements;
- showing the transition from one part of the event to another;
- approximate direction and content of all journalistic means, musical and light accompaniment;
- the duration of individual numbers, fragments, the entire event, etc.

Thus, sports, health, entertainment, and other events are indeed an independent and very important object of management. At the same time, the manager must have a set of qualities and a large arsenal of knowledge in economic, managerial, legal, marketing, and other fields. Only in this case, can he truly "promote" the spectacle produced by a sporting event to the entertainment market and realise it with maximum efficiency.

The company's personnel should adhere to the company's marketing plan. The outsourcing of operational tasks is required.

## DISCUSSION AND CONCLUSION

### **Answers to research questions:**

#### 1. What does the event supply chain look like?

To put it more simply, it is a collection of organisations that is responsible for generating demand for a certain product or service. Many parts of supply chain management, like its close link to event management and several models of business excellence, show how important it is to build strong business relationships with both internal and external partners.

In point of fact, the event organisation cannot continue to exist on its own, and in the majority of circumstances, it cannot create the event on its own either. It frequently seems to be more of a volunteer partnership, but it is one that is launched by the event organisers and it is one that can be easily substituted with another. For instance, facilitators have the ability to readily move resources elsewhere, which gives them authority, while regulators have the option to choose not to assign events any kind of priority. However, as a festival grows in attendance and receives support from the community, the reliance that exists between the event and its many stakeholders shifts to one of mutuality.

In order to guarantee success and long-term viability, those associated in event organisations (including owners, investors, directors, members, staff, and volunteers) have a responsibility to be aware of the need of good networking and stakeholder management. Both the strategic planning and the day-to-day operations of the event need to be centred on the stakeholders. This includes determining the needs of the stakeholders, managing the relationships between the stakeholders for the mutual, long-term benefit of both parties, and forming strong collaborations and partnerships.

## 2. Who in the event organisation makes supply chain management decisions

Without the participation of a large number of stakeholders who can provide assistance, resources, and support, the event organisations will not be able to successfully create the event on their own or continue to exist over the long term. The planning of the scope, requests, and inquiries are individually prepared and presented by their respective functions. These are then communicated to top management, and the appropriate procurement departments of the organisation and the local promoter firm buy the necessary supplies. Most of the time, supply chain questions from different corporate departments are updated, sorted, and put into groups with the goals of increasing efficiency and lowering costs.

The sector in which a company competes has a role in the selection of its suppliers. Price, quality, and delivery time are the three most significant aspects to consider while selecting suppliers. The price of anything has always been and will continue to be a sensible and significant factor. On the other hand, the latter two criteria have gotten greater consideration as the years have gone by. When it comes to picking suppliers, the most important elements to consider are whether or not they are able to satisfy quality requirements, whether or not they can deliver on time, and how long they have been in business. In today's world, the quality of a product or service may be judged by how well it satisfies the requirements of the consumer both while they are using it and after they have finished using it.

Event organisers may identify recommended suppliers by utilising the Internet, membership directories, trade journals, and industry publications in addition to using the lists of preferred vendors. The event manager might broaden their search for reputable sources by cultivating relationships with their other coworkers. It is essential to determine whether or not the various vendors will be able to meet your requirements before you send out the specs to compete for the business. In addition to this, you are responsible for ensuring that the provider is legally and

morally competent to provide what it is that you need. You may be able to cut down on the number of vendors that you talk to if you provide an assessment tool at this time. This assessment tool has to include the cost, the number of personnel who will be needed to work on this aspect of the service as well as any other relevant and critical success variables.

The core idea is that it is not possible to conduct an evaluation of a service, place, or product simply by measuring it based on criteria that are all given the same amount of weight. One of the factors would be price, but other criteria may include reputation, location, speed of delivery, innovation, and originality. As a result, each criteria needs to be weighted according to its relevance for that specific product or service, and as a consequence, the event organiser will be able to pick suppliers and the services they provide in a manner that is more suitable. When approaching experts, caution must be taken, and some of them may need to be scheduled a very long time in advance. Some professionals may also want a down payment and plans for what to do if either party has to cancel.

### 3. How to measure the service quality of suppliers?

The importance of creating strong business connections with both internal and external partners is emphasised not just by supply chain management, but also by its tight interaction with overall quality management and other models of business excellence.

There is a need for a variety of goods and services from the moment when it is first contemplated that a certain event should take place. There should be an in-depth debate on whether they should be obtained internally or from an outside firm and how each option would work best. The next step is to articulate exactly what criteria must be met in the form of a detailed specification. It's possible that some organisations have a list of their go-to vendors. This gives helpful connections with reputable businesses that are known to deliver according to the quality criteria, and who also appreciate and value working with the event manager's

company. It is important to get in touch with suppliers in order to get pricing information and a rundown of the things they could be able to provide. Are the precise requirements available for review? Is there room for manoeuvrability in the provisions? It is essential, after the quotes have been received, that they be studied objectively and scrutinised to ensure that what is being supplied is in accordance with the specifications. When it is practicable to do so, a comparison of the price, quality, and dependability of the in-house provisioning may be made. When the event management is satisfied that the products and services are as needed in all aspects, including competitive pricing and suitable supply, then it is possible to make an agreement with the provider. Even though it may be referred to as a purchase order, in actuality, what is taking place here is the establishment of a contractual relationship between the event organiser and the provider. It is anticipated that the delivery of the products and services will proceed as planned. In the events business, the two processes of distribution and consumption will often happen at the same time.

Event organisers may find suggested vendors by consulting the Internet, membership directories, and industry periodicals in addition to the lists of preferred vendors that are at their disposal. Building relationships with other coworkers may help the event organiser have access to a variety of reputable sources. It is crucial to make sure that the various vendors will be able to meet your requirements before you send out the specs to find potential vendors. You are responsible for ensuring that the provider can legally and morally provide the services or goods that you need. You may be able to cut down on the number of vendors that you communicate with if you provide an assessment tool at this time. This assessment tool needs to contain the pricing, the amount of personnel you or the service provider will need to work on this component of the service, as well as other significant elements that contribute to successful outcomes.



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## **APPENDIX 1**

### **What does the event supply chain look like?**

The most important aspect of supply chain management is planning. Thus, an organisation should have a corporate plan, a strategy for each business unit, and a plan for each department.

The corporate plan is the plan that looks farther into the future for the whole firm. It does this by determining the organization's goals after taking into account the external environmental elements and weighing those aspects against the organization's own internal capabilities.

In sport events we cooperate with various services providers. It is vital to have everything within budget, in required time and in level of needed quality. Main concentration in events is services and proper management of all flows. There are two types of order process in our organization:

1. Internal tender via ERP system where all involved departments can present proposal for e-decision making process 2. Public open tender where we publish tender in website and management is under control of tender committee.

### **Who in the event organization makes supply chain management decisions?**

It is the responsibility of the event manager to do an in-depth analysis of everything that is required for each event, as well as to determine which resources and services the client really appreciates. In sports events, we cooperate with various service providers. It is vital to have everything within budget, within the required time frame, and at the level of needed quality.

### **How to select suppliers for the services needed?**

There are two types of order processes in our organization: 1. Internal tender via ERP system, in which all departments involved can present a proposal for the e-decision making process. 2. Public open tender, where we put the bids on our website and the tender committee runs the business. All accepted bids must be opened at a predetermined time and location. This

prevents any accusations of injustice or criticism. All bids should be opened and evaluated as presented without previous knowledge of their contents and without providing one firm an undue advantage over another. When the quotations are received, it should be determined if the firms can do all of the requested tasks for the work for which they have been requested to estimate. When we have internal tender order via ERP, Project Manager/General Secretary makes final decision, if we launch public open tender then Tender Committee makes final decision

**Who makes the decision to determine the cost or price for the services needed?**

The procurement department does market research and defines the initial cost of required services. Based on this information, the finance department sets a budget in advance. This happens before launching an internal or open tender process.

**How to measure the service quality of suppliers?**

“To measure the service quality of suppliers, every company should apply to the Due Diligence Committee of our organisation before starting cooperation. This committee checks the financial, legal, and professionalism of the company. If a company fails to pass the Due Diligence Committee, we do not involve them in our project”

## APPENDIX 2

### **What does the event supply chain look like?**

The supply chain for F1 Global Brand is defined from two perspectives:

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2. The local promoter's strategy and operations for the supply chain (in our case, Baku City Circuit Operations Company).

The first one implies F1 Global air-fare transportation and temporary warehousing of major supply elements (operational compounds and buildings, F1 bolids, kitchen, broadcast and radio network equipment, trackside time-keeping infrastructure, accreditation passes, paddock security turn-sytyles, special fuel for bolids, etc.). In short, the parts of the race that can't be changed or bought from local vendors.

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### **What are the core competencies of the event organisation and which additional services does the organization need to buy?**

The core competencies of the organisation in field-specific knowledge are:

- Acquiring F1 sporting regulations and applying the statutes of auto-sport and rules of the game
- Running F1-specific marketing and sales campaigns all year
- Running motorsports specific CSR programmes (such as F1 in schools-seeking to instil engineering skills into schoolchildren; zero-carbon footprint competition by 2030; decent work and decent payments in countries where F1 enters with its brand)
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- Crowd management and security
- Spectator services, etc.
- Ticketing and accreditation
- Media and Broadcast etc.

- Health and safety operations, goods and services

### **How to select suppliers for the services needed?**

It is mainly based on synergy and collaboration between F1 and the local promoter country.

The Promoter Company selects the suppliers with the supervision of F1.

Often, the supervisor from the F1 side is the strongest in the first year of the country (inaugural races), when the promoter country's practise and know-how is fairly limited. For F1 supplies, the organisation (F1) chooses the suppliers itself with the reference and insights of the local promoter company in terms of the local market solutions. In some cases, the choice of the suppliers is being shaped based on existing F1 global partnerships and sponsorships (DHL for air-fare shipment services, Pirelly for tyre supply of F1 cars, etc.).

### **Who makes the decision to determine the cost or price for the services needed?**

The decision maker for F1 applies the global or regional cost-price benchmark for acquiring goods and services in the countries it enters. When it comes to the promoter country, costs are determined based on market research and an open tender process.

### **How to measure the service quality of suppliers?**

First and foremost, F1 is a luxury sport, and it is a highly innovative and technology-oriented event at the same time. I would say, the price comes last when it comes to key criteria. Here are the most important things to look at when judging the quality of the goods and services bought for the F1 event:

- Luxurious
- time-effective
- innovative and exclusive
- tech friendly

- sustainable/environmentally friendly
- fundamental (360 degree) solution