YOUNG EVENT SERVICES: LIFESTYLE OR LIVING?

Teaching Case (Abridged)

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ACADEMIC ABSTRACT

Young Event Services (YES) is an event planning business serving the New York City/Northern New Jersey market. Julie Young has grown the business as an extension of herself. But as she looks to the future and turning over her business to her daughters, she realizes that she is the business. Can what is a lifestyle for her become a business that provides a living for her daughters? Julie finds an old business plan written by her employee Madison. Will Madison’s plan help organize her lifestyle business or will it be too risky?

INTRODUCTION

It was 4:30 in the morning of June 24, 2007, and Julie Young, the owner of Young Event Services (YES) was spending another late night at her desk in her home office-- with no sleep. As she struggled with the variety of chores she was wrestling with, her mind wandered, partly in exasperation and partly in self-pity.

Julie could see the beginning of another day breaking through the darkness of the night outside her office window. She clenched her fists at the new dawn, hoping it would go away so she could just finish this day first. Her husband called her to bed again for the fifth time that night. For her own health, she figured she should go, even if it was just to close her eyes and to sort things out in her head. She lay there knowing she only had two hours until she had to get the kids ready for school and it would just start all over again.

Julie awoke to her husband’s pager going crazy with its incredibly annoying beeping and chirping. They were calling for an additional crewmember to join another town’s crew because they were short-handed. Julie’s husband rolled over, looked at her, and said what he always said to her when she was up until 5:30 in the morning, “Lifestyle or living?” She gave him her usual response, “I know, I know!”

JULIE’S HISTORY

Julie Young graduated from Pace University in 1984 with a bachelor’s degree in communications. The day after graduation she started working at a well-known public relations firm in New York City. In her job, Julie dealt with a variety of event planning companies, corporate firms, and small businesses and acquired a few friends along the way. A few years into the business she realized that a big PR firm was not what she was looking for. She wanted to be involved in something a little smaller and more personable. She used her contacts and networked her way to another job. She fell into the hands of a well-known catering company in New Jersey. She took on the role of a client representative and after a few years of building up her own client base, she teamed up with a sous chef, Amy, to begin their own catering business. Julie had an informal agreement with Amy whereby Amy was the exclusive chef for YES. Amy’s main concerns were only chef-related concerns. Julie handled everything else. During the last fifteen years, YES had grown into a well-regarded event planning company with a number of repeat clients.
BUSINESS PROCESSES OF YES

Description of Services

In order to grow the business Julie said “Yes” to almost any event and any request. While this led to many sleepless nights, the result was a full-service event management company with expertise in weddings, special events (e.g., birthdays, retirement parties and showers), Bar/Bat Mitzvahs, and charitable golf outings. For each event YES did everything from planning the event to preparing invitations, securing and decorating the facility, preparing customized gifts for guests, managing third-parties such as bands or photographers, transporting guests, food preparation and service, and post-event clean-up. No request was too large and no detail too small for YES.

Organizational Structure

YES was operated mainly by Julie with some occasional part-time help from Madison, an employee she had found though the local university internship program; Kim, a woman in her mid-twenties; and, Katie, an older neighbor of Julie’s who worked one or two days a week. Julie also had a Rolodex full of name of workers from bartenders, to wait staff, to drivers, to floral arrangers. YES hired these resources as needed. Business for YES was particularly high during the summer and winter holiday seasons, resulting in a large staff and large payroll during these months. April through June and October through December were considered her high season. Her revenues during those months were approximately $230,000. January though March and then again from July through September were considered her low seasons. Revenues during those months were approximately $120,000. Business during the low seasons consisted mainly of business and corporate affairs so staffing needs were less.

Julie had multiple roles within the company from contract to catering and decorators to disc jockeys. As the business grew, Julie began focusing on the larger clients (guest counts above 300). Kim was responsible for the smaller events and Katie was the event planner for companies and corporations.

Marketing and Sales

YES targeted those in need of event planning assistance, who were most able to afford event planners, and had the least amount of time to spare for event planning. While YES primarily served the northern New Jersey area as well as New York City, they gladly served anyone in need--they never turned away a customer strictly because of distance.

Many of the clients came from "word of mouth" referrals. Clients appreciated that YES coordinated all aspects and details of events for a wide array of occasions. Referrals were a major source of new business for YES, as YES did no media advertising.
For each event, YES would first meet with their client one-on-one to discuss the service. They discussed what the client wanted done in their event, and how they wanted it done. Customers were expected to come to YES knowing exactly what they wanted. However, there were also customers who did not have any idea what they wanted and were open to suggestions. In these instances, YES offered creative suggestions and helped the client design the event. After the customer gave YES the idea of how they envisioned their event, the rest of the work was done by YES.

DECISION TIME

When Julie reached her office, she had gotten her third wind of the day, and decided to do a little straightening up of her office. It needed it because she had invoices lying around on the floor from 2005. It was time she tackled this office by starting with that dusty pile of papers over in the corner. “How could I not have put them away all this time”? reflected Julie. As she went through the papers one by one she stumbled upon the business plan that Madison had given her two years ago. Julie was more of a mentor to Madison, a part-time employee at YES while she was finishing her B.S. in business administration. Julie took a second look at Madison’s plan just to see what Madison and her professor had recommended she do to grow YES. Julie, blew off the dust on top of the plan, opened the plan to the Executive Summary, and noticed “Table 1 – Key Recommendations to Grow YES to a Sustainable Business.”

(Abridged version of case)