

# MEDIUM SIZED ENTERPRISE ITALY

## The risk story 3



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# Medium sized enterprise from Italy

## Context of the Company and the Supply Chain

The company is an event logistic planner, and they work in the event logistic value chain. They work on a customer need basis, designing and executing the organisation of events for customers such as hotels, cultural association, universities, research centres, and non-profit organisations. They basically are a service company. What they do to respond to customers' needs is to collect different resources and services from several suppliers, organise them, and offer them to the customer during an event that normally takes place in a physical venue. The resources gathered could be audio and video materials, electronics, computers, and other digital equipment, stationary, food and drinks and services such as transportation, hoteling, catering, and restaurant. In case of need, they also collect financial resources from sponsors and offer body rental solutions for their customers. Moreover, some of the events they organise are targeted at physicians, and they need to go through an accreditation system provided by the Ministry of Health.

The supply chain the company belongs to is partially composed of resources and service providers. They used to work with trusted suppliers and in case of need they search for new ones when a customer asks something new and specific. The supply chain is evolving with greater competition, forcing the company to diversify its value proposition, looking continuously for new alternatives to satisfy customers' needs, and to search for new customers.

## Digitalization of SC

Digitalisation is quite scant in the supply chain and addresses mainly the administrative side. The supply chain involves the mobilisation of physical resources. Years ago, it was all based on telephone, e-mails, and excel files but things changed recently. The company has invested in internal information systems to keep control of the administrative activities, digitalising a continuously increasing number of administrative procedures, and to better manage the relationship with their customers.

Digitalisation increased also because most of the suppliers started to use e-bookings and e-invoicing systems. Apart from the administrative side, in the past year and half, due to the pandemic, digitalisation increased also on the core business. Social distancing measures adopted on the country territory made



physical events impossible. They had to switch everything to online using a blend of video-conferencing and digital broadcasting technologies.

## Risk Management

The value chain has been completely disrupted by Covid and they had to profoundly change the way they do business mostly organising digital - and no longer in presence - events. To do so, they had to be accredited with the Ministry of Health, something for which they had no experience before. The new way of doing business, and the pandemic context, offer new opportunities but also more challenges.

The current risk situation is much affected by the consequence of the Covid-19 pandemic since events in presence have been forbidden since March 2020. They had to learn their job from scratch, going online, adopting distant teleconferencing systems, and they had to train all the personnel to use these new technologies. The pandemic also created a hectic situation for several weeks, without a stable regulatory framework. Rules changed every other month, with bans and restrictions being raised and released several times during a year.

In general, the complexity of the work increases. There are more variables to keep under control, including the technical problem with the technology use, and they have little experience with that.

**Practice of Risk Management:** The company has not a structured strategy towards risk management. They basically resort to their experience in identifying risks. The main duty towards risk management is on the shoulder of the board of directors - five people, four workers and the founder - who held regular meetings to discuss problems within their work. Adding to this, all workers - not just members of the board - may report specific issues related to customers, suppliers, internal procedures, or other things.

Concerning digital technologies, in the past, they used to outsource risks to cloud or platform providers. They have been increasing the digital competencies of the internal human resources especially to have a smooth transition in the use of the new digital platform, and to make sure that configurations and use of the platform in online events would not create challenges of data breaches, hijacking, man-in-the middle attacks or other types of cyber risks.

**Risks:** The major risk the company is facing right now is financial equilibrium. With events being banned due to pandemic restrictions, they lost several profitable opportunities. Digital events are smaller in terms of budget; hence the turnover is smaller.

They had to leave part of the personnel in layoff - some of them part-time, others full-time - and they do not know if they are going to have personnel cuts with consequent loss of knowledge, in the upcoming months.