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**THE USE OF PROJECT MANAGEMENT METHODS IN
EVENT MANAGEMENT OF THE INTERNATIONAL
ORGANISATION**

VYUŽITÍ METOD PROJEKTOVÉHO ŘÍZENÍ PŘI EVENT MANAGEMENTU MEZINÁRODNÍ FIRMY

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ABSTRACT

This Master thesis deals with the analysis and the current situation in a specific organisation and application of project management theoretical knowledge, tools, methods, which are used to propose an event for the company with the objective to facilitate the process of building and engaging the community of customers in Slovakia and preparing a guideline for the following projects. The thesis is divided into three major parts. The first part focuses on the introduction of project management theory and definition of major project management concepts. The second part is devoted to the current situation analysis, which includes using a variety of microenvironmental and macroenvironmental analyses. The last part is dedicated to the project proposal using project management methods such as the SMART definition of project objectives, Logical Framework Matrix, Work Breakdown Structure, RACI Matrix and Gantt Chart and finding the benefits for the analysed company.

KEYWORDS

Project management, Project proposal, RACI Matrix, Gantt chart, RIPRAN, Logframe

ABSTRAKT

Diplomová práce se zabývá analýzou současné situace ve firmě Sportobchod.cz s.r.o a aplikací teoretických znalostí projektového řízení, nástrojů a metod k návrhu projektu, který má za cíl usnadnit proces budování a zapojení své komunity zákazníků na Slovensku. Kromě toho by projekt měl sloužit jako návod pro následující projekty analyzované společnosti. Diplomová práce je rozdělena do tří hlavních částí. První část je zaměřena na představení teorie projektového řízení a vymezení jeho hlavních konceptů. Druhá část je věnována analýze současné situace, která zahrnuje využití různých makroekonomických a mikroekonomických analýz. V poslední části autor navrhuje projekt pomocí metod projektového řízení jako je SMART definice projektových cílů, logický rámec, WBS, RACI Matice, Ganttův diagram a charakterizuje možné přínosy navrhovaného projektu pro analyzovanou společnost.

KLÍČOVÁ SLOVA

Projektový management, Návrh projektu, RACI matice, Ganttův diagram, RIPRAN, Logický rámec

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I declare that the submitted Master's thesis is original, and I processed it independently. The quote of bibliography is complete, and I did not violate any copyrights (in term of Act no. 121/2000 Coll., about Copyright and right related to Copyright).

In Brno, 24th June 2019

.....

Bc. Michal Světnička

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Introduction

Project management was not considered as a separate occupation until recent time. Accordingly, the importance of project management keeps growing steadily in a variety of fields. At the present day, companies focus on project-oriented approach, and it is being employed in fields and industries where it was not originally applied. To illustrate, SportObchod.cz s.r.o. represents an example of such a company.

After consulting the particular topic with the CEO of SportObchod.cz s.r.o., the main aim of this work was specified. The present thesis will critically analyse the current situation in the company and apply project management tools and methods in order to organise an event. Such an event will facilitate the process of building and engaging its community of customers in Slovakia and serve as a guideline for potential further projects.

In general, the thesis is divided into three major parts. First, the theoretical part will focus on the introduction to the topic, definition of major project management concepts and ideas that will be employed later on.

Second, the current situation analysis is introduced using a variety of microenvironmental and macroenvironmental analyses. In this particular chapter, Porter's five forces theoretical framework is applied in order to identify and assess forces in the competitive environment of SportObchod.cz s.r.o. Moreover, the emphasis is put on the main competitor of SportObchod.cz s.r.o. not only in Slovakia, Decathlon. Besides, PESTEL analysis was conducted to assess external factors which may have an impact on the company. Also, the analysis focuses primarily on Slovakia, as the project proposal is designed for potential customers in Slovakia. Furthermore, the SWOT Matrix is created based on the Value chain analysis, McKinsey 7S framework and PESTEL analysis to conclude the main findings from the abovementioned analyses which will be taken into consideration in the process of expanding company's activities towards the organisation of an event not only for their current customers but also for the general public.

Third, the last part focuses on the project proposal and its benefits for the company. The proposed project is based on the analyses conducted in the previous chapters. The project itself is created using project management methods such as the SMART definition of project objectives, Logical Framework Matrix, Work Breakdown Structure, RACI Matrix

and Gantt Chart. The main benefits and contributions of organising such events are discussed within this chapter. Such benefits include for example increased brand awareness and engagement with the customers, building the brand loyalty and making a positive social imprint by encouraging the community to have an active and healthy lifestyle, some of the most essential values of the company's culture. The present work will be concluded by presenting the benefits of the proposal and recommendations regarding the organisation of events.

Goals of thesis and methods

The company SportObchod.cz s.r.o. (from now on SP) is a fast-growing Czech company, which is demonstrated by the recent expansion of the company to three foreign countries, namely to Slovakia, Germany and Austria. The CEO of the company emphasises a customer-centric approach of its management; thus, it is obvious that the company wants to keep its customers in the centre of attention. However, the headquarters of the company is located in the Czech Republic together with the main warehouse, therefore it results difficult to sustain such a customer-oriented approach on the corresponding foreign markets. Unlike in the Czech Republic, the company does not have brick and mortar shops in the corresponding countries, hence their customers are lacking the opportunity of trying goods before purchasing them. Furthermore, the management of SportObchod.cz s.r.o. expressed interest in organising events in Slovakia, which would facilitate the whole process of customer engagement.

Therefore, the main aim of the thesis is to critically analyse the event management of SportObchod.cz s.r.o. using project management methods and propose a plan for further development. After consulting this topic with the CEO of SP, the main aim is further specified as follows:

Critically analyse the current situation in SportObchod.cz s.r.o. and apply project management theoretical knowledge, tools and methods to propose an event, which will facilitate the process of building and engaging its community of customers in Slovakia and will serve as a guideline for the following projects.

In order to achieve the main objective of the present thesis, the author will:

- a) Critically analyse the project management theoretical background and examine the project management tools and methods.
- b) Perform a macroenvironmental analysis of foreign markets in Slovakia, Germany and Austria.
- c) Conduct a microenvironmental analysis
- d) Propose a plan for the implementation of the project with the above-mentioned objectives.
- e) Offer a conclusion and recommendations to the analysed company.

The author uses both primary and secondary data to critically examine the environment of SportObchod.cz s.r.o. The author obtained the primary data thanks to the cooperation on selected projects in the analysed company. There is a great benefit of using primary data because the author is able to find information for specific purposes (Iwh.on.ca 2015). The possible limitation for this assignment might be the restricted information about the e-commerce industry in Slovakia.

1. Theoretical review of project management

In the present chapter, the theoretical background of project management is discussed. Furthermore, the emphasis is put on individual components of project management such as project requirements, project life cycle or project risk management. Besides, project management tools are characterised and further used as a foundation for a project proposal.

1.1. Project management development

To begin, humans have managed different complex projects such as the construction of the pyramids since the beginning of civilisation. Project management, as it is known today, has started to develop in the 1950s. Before the 1950s, there were no generally accepted methods or recognised processes. Moreover, the custom and practice were to a high degree industry-specific, therefore there was a lack of standardisation across different areas of operation. First formal tools and techniques were developed in the 1950s in order to facilitate large complex projects, which were risky, and the results of such projects were uncertain.

Some of the project management (PM) methods, which were invented in the 1950s and later became accepted practice are for example DuPont's critical path analysis (CPA) and RAND Corp.'s Programme Evaluation and Review Technique. The above described period of project management is called the first generation of project management practices. New techniques and tools which were introduced in the 1990s together with the development of standards of PM processes in the US and Europe started the second-generation project management. Major professional associations such as the Project Management Institute (PMI) in the US and the Association for Project Management (APM) in the UK were leading the development of such standards. In addition, these newly formed institutions enabled the transformation of project management towards a recognised profession with definable knowledge requirements.

Furthermore, the requirement for a strategic approach regarding the creation of project process caused another significant shift in the 2000s. Whereas the first two generations of project processes were rather highly reactive, the third stage of project management emphasises the strategic role of projects. By the same token, the third stage clearly defines

the processes which the project manager must put in place to deliver the end objective of the project and satisfy the needs of all stakeholders. Hence, the role of the project manager in the third stage is also the role of an integrator, who is responsible for integrating the required resources, knowledge and processes from the project's starting point to the end of the project. Besides, the development of communication technology enabled the creation of virtual teams as a means of running projects. Similarly, the emergence of project planning tools software changed the way people were working in the field of project management (Maylor 2010).

1.2. Definition of project management

The researches and academics do not agree on one universal definition of project management. Therefore, the author presents different definitions of project management from various researchers to gain a full understanding of the topic and to demonstrate the current state of knowledge in various aspects.

One of the first definitions was provided by Oisen (1971), who was the first-generation project management researcher. The definition is presented below.

“The application of a collection of tools and techniques (such as the CPM and matrix organisation) to direct the use of diverse resources toward the accomplishment of a unique, complex, one-time task within time, cost and quality constraints. Each task requires a particular mix of these tools and techniques structured to fit the task environment and life cycle (from conception to completion) of the task.”

It is worth mentioning that Oisen included time, cost and quality as success criteria, which are also known as the Iron Triangle for measuring success. These criteria are still being used to describe project management today. Later, new techniques and tools which were introduced in the 1990s together with the development of standards of PM processes in the US and Europe started the second-generation project management (Maylor 2010). The British Standard (1996) for project management as a part of the second-generation project management defined project management in a different manner:

“The planning, monitoring and control of all aspects of a project and the motivation of all those involved in it to achieve the project objectives on time and to the specified cost, quality and performance.”

Another definition from the era of the second-generation project management was presented by the UK Association of project management (APM). APM created a UK Body of Knowledge, which characterized the project management subsequently (1995):

“The planning, organisation, monitoring and control of all aspects of a project and the motivation of all involved to achieve the project objectives safely and within agreed time, cost and performance criteria. The project manager is the single point of responsibility for achieving this.”

In contrary, Reiss (1993) presented a different view on the definition of project management. He argues that because of the complexity of project management, it is impossible to simply describe it with only one definition. Therefore, he suggests defining the project management generally as *“a human activity that achieves a clear objective against a time scale”*, and he adds that project management might be also described as a combination of management, planning and the management of change (Atkinson 1999).

Other definitions in the era of the second generation of project management have been offered by Lock (1994), who suggested, that the evolution of project management occurred to plan, coordinate and control the complex and diverse activities of modern industrial and commercial projects. On the other hand, Burke (1993) argued that project management is a specialised management technique to plan and control projects under a strong single point of responsibility. Additionally, Turner’s (1996) definition is presented to demonstrate a different view on how to define project management. He stated that the project management might be described as: *“the art and science of converting vision into reality.”*

Nowadays, APM (2019) defines project management as: *“the application of processes, methods, knowledge, skills and experience to achieve the project objectives”*. Due to the fact that the presented project management definition is very general, it is appropriate to list the core components of project management to gain a deeper understanding of the topic. According to APM (2019), core components of project management include:

- *defining the reason why a project is necessary;*
- *capturing project requirements, specifying quality of the deliverables, estimating resources and timescales;*
- *preparing a business case to justify the investment;*
- *securing corporate agreement and funding;*
- *developing and implementing a management plan for the project;*
- *leading and motivating the project delivery team;*
- *managing the risks, issues and changes on the project;*
- *monitoring progress against plan;*
- *managing the project budget;*
- *maintaining communications with stakeholders and the project organisation;*
- *provider management;*
- *closing the project in a controlled fashion when appropriate.*

To conclude, several project management definitions, which have been developing over the last decades were provided by the author in order to gain a better understanding of the progression of project management since the very beginning until now. In addition, the core components of project management were listed and are further discussed throughout the present work.

1.3. Project

Various definitions of the project which are being used by the Project Management Institute (PMI) and association for project management are provided in this subchapter. Furthermore, key individual components of the listed definitions are analysed. Firstly, PMI (2019) defines the project as “*a temporary endeavour undertaken to create a unique product, service or result.*” Secondly, a widely accepted definition of a project is also expressed by the APM. According to APM (2019), “*project is a unique, transient endeavour undertaken to achieve the planned objective.*”

Both definitions are based on similar attributes, which are also described by Svozilová (2016). Svozilová stated that uniqueness, temporariness, complexity and uncertainty are significant attributes, which form the comprehensive view on the definition of the project. Temporariness means that each project is bounded by a time frame and uniqueness points out the fact, that project is not a routine operation, hence it is impossible to standardize it

fully. Therefore, the project is rather a specific set of operations, which are designed to accomplish a unique goal (PMI 2019).

By the same token, because each project is unique, it is accompanied by a high degree of uncertainty, which is arising from either the risks or opportunities. Because different methods and processes are used to achieve the singular goal of the project, project management needs to deal with the complexity of the project. (Rosenau 2007). Kerzner (1985) further discusses time, budget and human and material resources as significant factors which form the definition of the project. In practice, the project is carried out by a project team, which is formed at the time the project is undertaken and at the moment of termination of the project the project team is dissolved (Svozilová 2016).

1.4. Project requirements

Project requirements subchapter discusses the vital elements which should be taken into consideration to facilitate the whole process of the project management. These elements, which are characterised below, are the Triple Constraint model, SMART definition of a project's objective and Logical Framework approach.

1.4.1. Triple constraint

After providing the definition of a project, it is essential for any organisation to understand the main factors based on which the organisation is able to measure the level of achievement of the project objectives. Therefore, it is necessary to identify and to understand the variables which need to be measured to determine if the organisation achieved its goals (Westland 2019).

However, different authors and researchers call the three most important variables differently, for example, The Project Management Triangle, Iron Triangle or Project Triangle, all of the mentioned are referring to the same concept of cost, scope and time. These three form a model of the constraints inherent in managing project. In other words, cost, scope and time dimensions state, that the project success is impacted by its budget, deadlines and features (Westland 2019).

The basic model of Triple Constraints is presented below.

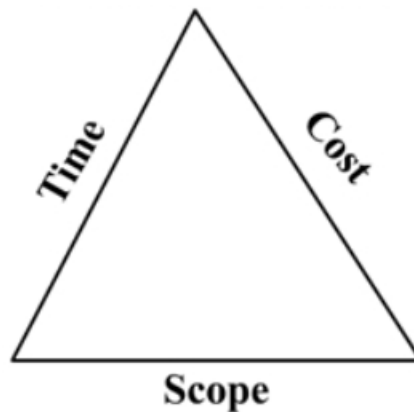


Figure 1 **Triple constraint** (Kent 2017)

The triple Constraint model expresses that either cost is a function of scope and time or that cost, time and scope are linked. Hence, if one variable changes, then another must also change in a defined and predictable manner (Fiala 2008).

On the other hand, according to PMI, there is a significant issue with the triple constraint approach because the cost variable contains the time in practise. They suggest using the Value Triple Constraint model, which replaces the time variable with capability.

1.4.2. SMART objective of the project

The project objectives are closely related to the Triple Constraint, therefore the traditional parameters for measuring project success are if the project is finished on time, according to its specified performance and within its costs. Nonetheless, it is essential to consider other factors which might influence the outcomes of the project because the fulfilment of the three above mentioned criteria does not directly imply the fact that all stakeholders are satisfied. Therefore, it is essential to consider all potential stakeholders, who might be influenced by the project (Lock 2013).

The appropriate definition of the objectives of the project is an essential part of project management. Many authors, for example, Doran (1981) or Svozilová (2016), suggest using the SMART technique when defining the project goal. The SMART technique was firstly introduced by George T. Doran in the *Management Review* in 1981. In his paper, Doran proposed a technique for writing management's goals and objectives. Furthermore, he discussed the obstacles and highlighted the importance of defining the objectives in

the right manner for the success of the whole project.

According to this technique, the objective of the project supposed to be (Landau 2019):

- *Specific*
- *Measurable*
- *Achievable*
- *Relevant*
- *Time-related*

The specific goal refers to the fact that it should be clearly defined who is going to be involved in achieving the project objective, what project management techniques will be needed to accomplish the goal, why is this particular objective important and where the work on the project will take place. Furthermore, it should be clearly stated which resources will be needed to achieve the project's objective. Besides, the goal should be measurable, so it is possible to track the progress, which is being made towards the objectives of the project. In other words, if the project's goal is measurable, the project manager is able to conclude whether the objectives have been achieved (Landau 2019).

Also, the project manager should take into consideration the criterion of achievability in order to state a realistic goal which is going to be further pursued throughout the specific project. Although all the previous criteria are met, the project manager should investigate, whether the proposed project goal is relevant to prevent undertaking a project which would not work in line with for example the overall strategy of the particular organisation. Lastly, it should be examined if the proposed objective is time-related to set a deadline, which provides context during the project (Landau 2019).

1.4.3. Logical Framework

According to the European Integration Office (2011), Logical Framework Approach (LFA) is "*an analytical process and set of tools used to support objectives-oriented project planning and management. Moreover, Logical Framework provides a set of interlocking concepts which are used as a part of an interactive process to aid structured and systematic analysis of a project.*"

Therefore, if the Logical Framework approach is applied, the project should be described in a way, so it is well designed, described objectively, possible to evaluate and clearly structured (European Integration Office 2011).

Additionally, the Logical Framework Approach (LFA) applied by the organisation helps to (European Integration Office 2011):

- *Analyse an existing situation, including the identification of stakeholders' needs and the definition of related objectives;*
- *Establish a causal link between inputs, activities, results, purpose and overall objective (vertical logic);*
- *Define the assumptions on which the project logic builds;*
- *Identify the potential risks for achieving objectives and purpose;*
- *Establish a system for monitoring and evaluating project performance;*
- *Establish a communication and learning process among the stakeholders, i.e. clients / beneficiaries, planners, decision-makers and implementers.*

When it comes to use of Logical Framework Approach in practice, it is important to distinguish the LFA from the Logical Framework matrix, which is also called Logframe matrix. Whereas LFA is an analytical process, Logframe matrix provides the documented product of the analytical process (European Integration Office 2011).

Logical framework approach is divided into two stages, which are a part of project identification and formulation. Firstly, the Analysis Stage should be carried out as an iterative learning process instead of setting up a simple set of linear steps. Secondly, the Planning Stage should be carried out to transcribe the results of the Analysis Stage into a practical operational plan which should be ready to be implemented (European Integration Office 2011). Both main stages of the Logical Framework Approach are summarized in Table 1.

Table 1 **Main stages of Logical Framework Approach** (European Integration Office 2011)

Analysis phase	Planning phase
Stakeholder analysis – identifying & characterising potential major stakeholders; assessing their capacity	Developing a Logical Framework matrix – defining project structure, testing its internal logic & risks, formulating measurable indicators of success
Problem analysis- or “Problem Tree”. It consists of identifying key problems, constraints & opportunities; determining cause & effect relationships	Activity scheduling – determining the sequence and dependency of activities; estimating their duration, and assigning responsibility
Objective analysis – or “Solutions Tree”. It consists of developing solutions from the identified problems; identifying means to end relationships.	Resource scheduling – or “Budgeting”. from the activity schedule, developing input schedules and a budget
Strategy analysis – identifying different strategies to achieve solutions; selecting the most appropriate strategy.	

As it is demonstrated in the table above, the Logical Framework Matrix is developed during the planning stage of a Logical Framework approach. This matrix is essentially providing a summary of the project down to activity level. Obviously, this summary is presented as a matrix, which has four columns and four or more rows.

Additionally, the vertical logic applied in the matrix identifies what the project intends to do, clarifies the causal relationship and specifies the important assumptions and risks beyond the project manager’s control. Equally, horizontal logic relates to the measurement of the effect and resources used by the project through the specification of key indicators and the sources where they will be verified. Hence, the Logical Framework Matrix consists of four key elements of the project, which are listed below (European Integration Office 2011):

- *The objectives of the project.*
- *The project activities and inputs.*
- *The assumptions made for the project.*
- *The indicators required to monitor the project.*

Furthermore, an example of the Logical Framework Matrix is presented in Table 2.

Table 2 **Logical Framework Matrix** (European Integration Office 2011)

Logic of intervention	Objectively Verifiable Indicators	Sources of Verification	Assumptions
Overall Objective (1)	(10)	(11)	(9)
Purpose (2)	(12)	(13)	(8)
Results (3)	(14)	(15)	(7)
Activities (4)	Means (16)	Costs (17)	(6)
			Preconditions (5)

Numbers in brackets in the figure above represent the possible sequence of completion. Because the preparation of a Lograme matrix is an iterative process, it is important to review the information previously assembled, and if it is required, revise that information. Even though it is recommended not to involve means or costs, both are illustrated in the table above to highlight the significant importance of the logic behind the thinking process – logically linking results, to activities to resources and costs (European Integration Office 2011). The individual columns and rows that are included in the Logical Framework Matrix are characterised below.

The intervention logic is usually in the first column of the Logical Framework Matrix. Furthermore, it identifies what is the strategy of the intervention; in other words, what the project intends to do. In addition, it shows the causal relationship between different levels of the objectives. The intervention logic is tested and refined by the analysis of assumptions, which is in the fourth column of the matrix and is further characterised below (European Integration Office 2011).

As can be seen in Table 2, it is necessary to define the overall objective to which the particular project contributes. It is the higher-order objective, which the project manager

tries to achieve. The common overall objective statement is usually shared by a group of projects from the same programme or a sector. The definition of the specific purpose, which should be achieved by the project is shown in the third row of the Logical Framework Matrix. In addition, the specific purpose outlines the intended effects of the project, which are the immediate objectives for the direct beneficiaries as a precisely stated future condition. Furthermore, the specific purpose should be expressed in terms of increased benefits to the target group in order to summarise the impact the project should have. It is common to have only one purpose in a particular project because it was found out, that if there are several purposes, the project efforts might become diffused, and therefore weakened (European Integration Office 2011).

Despite the fact that the purpose describes the reasons why the results are being undertaken, it is out of the control of the project team. However, project team members are accountable for producing a certain set of results, and they are not responsible for the way people or institutions will operate with those results. Accordingly, the project team should be responsible for achieving certain results, which might help to achieve the desired impact. Whether the impact will be achieved or not is outside of its control, hence, the project team cannot be directly accountable for achieving the impact (European Integration Office 2011).

The fourth row of the Logical Framework Matrix refers to the definition of the results for achieving the purpose. Those results or outputs are expressed as the targets, that the project management has to achieve in order to sustain within the life of the project. Furthermore, the combined impact of the results should be sufficient to achieve an immediate purpose. Unlike in the case of achieving such impact, the project team is directly accountable for achieving the desired results (European Integration Office 2011).

The definition of the activities which are necessary for achieving each result can be found in the fifth row. These activities are expressed as processes which should indicate the basic structure and strategy of the project. In general, the aim is to create an indicative list of activities, which have to be implemented in order to accomplish each desired result. Moreover, this step should also supply more details to outline the strategy for accomplishing each activity and to create the foundation for Work Breakdown analysis or Gantt Chart (European Integration Office 2011). Both the WBA and Gantt Chart are

further characterised in this thesis.

By the same token, the assumptions, which are related to each level of the Logic of Intervention, are identified in the fourth column. Because these assumptions are external factors, they might influence or even determine the success or failure of a particular project. In addition, as it was previously mentioned, the assumptions are out of the direct control of project managers. Furthermore, there is the vertical logic in the Logical Framework Matrix, which starts from the bottom of the matrix and is worked upwards. For a better understanding, the relationship between assumptions and objective hierarchy is showed in Figure 2.

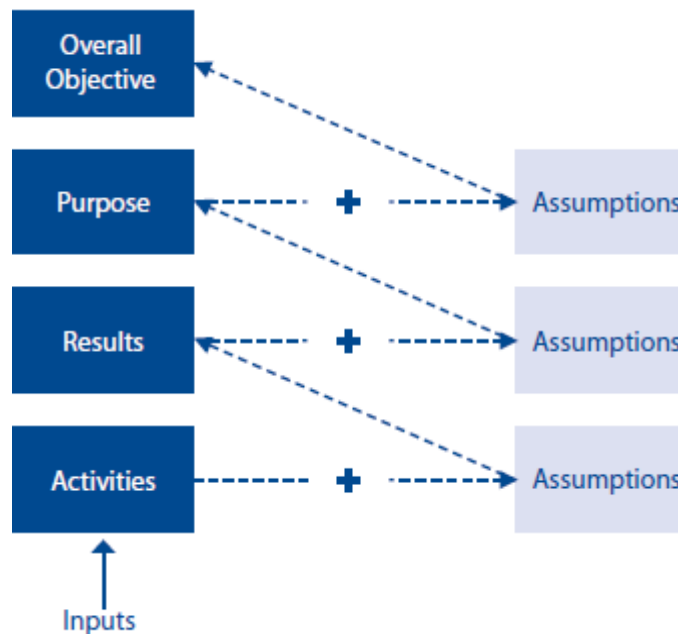


Figure 2 **The relationship between assumptions and objective hierarchy**

(European Integration Office 2011)

As it is illustrated above, using the vertical logic, it should be examined whether the inputs are sufficient to undertake the anticipated activities or whether additional events outside the project should also be considered. The project manager should identify assumptions at each level in the matrix up to the development objective. Moreover, the assumptions should be described in such operational detail, so it is possible to monitor them. Assumptions are usually progressively identified during the analysis phase of a project. Hence, the analysis of the stakeholder, project objectives and project strategies might highlight many issues, which need to be dealt with. These issues might be, for example,

policy issues, institutional issues, technical issues, social issues or economic issues, which will have an impact on the project environment. All of the listed issues will impact the project environment, but they cannot be directly controlled by the project. Furthermore, additional assumptions can also be identified by consulting the project with stakeholders (European Integration Office 2011).

The second column of Logical Framework Matrix deals with the definition of Objectively Verifiable Indicators (OVI) at the level of Overall Objective, Purpose and Results. These indicators are performance measures, which describe the project's objectives in operationally measurable terms, specify the performance standard, which needs to be reached in order to achieve the goal, the purpose and the outputs. Hence, OVI's should be defined in terms of quantity, quality, time, target group and place. To complete the Logical Framework Matrix, it is necessary to identify the Source of verification (SOV), which is also called a means of verification. This should help to test if the indicators can be realistically measured at the expense of a reasonable amount of time, money and effort (European Integration Office 2011).

Furthermore, the key elements of projects such as the project's hierarchy of objectives, project environment and key external factors critical to the project's success and the plan for monitoring and evaluating of project's achievements are listed in the Logframe matrix. Logframe also helps to find out the basis on which resource requirements, as well as costs of the projects, are determined (European Integration Office 2011).

For a better understanding of this topic, the causal relationship which is being applied in a Logical Framework matrix is described below. This causal relationship consists of three consecutive hypotheses. (Doležal, Máchal and Lacko 2012):

1. Assuming that the key activities and other inputs are correctly processed, the outputs will be produced.
2. Assuming that the outputs are produced, the goal of the project will be achieved.
3. Assuming that the goal of the project is achieved, the project will contribute to the achievement of the overall objective of the project.

Additionally, according to Doležal, Máchal and Lacko (2012) the ideal Logical Framework for a particular project does not exist. Each project is dependent on a particular project team; therefore, two different project teams would always find a different Logical Framework Matrix for the same project. Furthermore, the authors argue, that the objective of the Logical Framework Matrix is not to reach technically perfect Logframe, but the fact that all stakeholders or their representatives are involved in establishing a logical framework, therefore all stakeholders should agree on what, why and how it is going to be implemented. Moreover, they should find consensus on the time, which is required for the project and on the financial resources, which are going to be needed. Besides, they should also tackle the risks and assumptions associated with the implementation of the project. If all stakeholders agree, it is obvious, that the Logframe reflects all the needs and requirements of the project customer, as well as the technical and other constraints which might appear during the execution of the project.

By the same token, the Logframe Matrix can be used during the implementation of the project as one of the means of monitoring the project. In addition, it can facilitate the process of assessing and implementing the changes that have been identified during the project. Logframe also provides a communication tool, which enables to efficiently explain the basic meaning and structure of the project to the stakeholders (Doležal, Máchal and Lacko 2012).

1.5. Stakeholders

According to Lock (2013), *“most project managers are expected to complete their projects so that they satisfy the three primary objectives of time, performance and cost. Moreover, these are usually the most important factors that drive the project contractor and they should be the foremost expectations of the project owner”*.

Even though the project success is certainly very important for the customer and the contractor, many projects have to satisfy more parties than these two primary stakeholders. Therefore, for a deeper understanding of the project success, it is essential to identify all stakeholders. Generally, a stakeholder is any party with an interest in the project process or outcome (Maylor 2010).

Evidently, the identification of all stakeholders is a complicated process because the range and nature of stakeholders will vary greatly from one project to another. Furthermore, it

is advisable for a project manager not only to identify all stakeholders but also to analyse their interests and requirements in order to develop a suitable strategy for them. Equally important is to set priorities for the identified interests of individual stakeholders. It is then necessary to inform stakeholders about which requirements are going to be met, and on the other hand, which requirements are impossible to follow. Also, the project manager should include achievable requirements in the following parts of the project (Lock 2013):

- *Project plan*
- *Requirements list*
- *Project objectives*
- *Scope of the project*
- *Project outputs*
- *Project schedule*
- *Project costs*

In addition, the project manager should enter threats and opportunities that arise from these requirements in risk management register, and he should also identify the decision-making procedures between the project team and the stakeholders. Besides, at each stage of the project, the project manager should monitor the stakeholders' satisfaction, for example by setting up a communication plan with stakeholder (Doležal, Máchal and Lacko 2012).

Furthermore, Doležal, Máchal and Lacko (2012) argue, that stakeholders can be divided according to their roles in the project as follows:

- *Project owner*
- *Project user*
- *Project sponsor*
- *Project developer*
- *Project investor*
- *Influenced parties*

1.6. Project life cycle

To gain a deeper understanding of project management, it is necessary to investigate the processes and individual phases of the project management procedures. Furthermore,

each project is temporary, in other words, it has a specific starting point and a finishing point. Therefore, the project life cycle is described by a series of phases which passes through from the initiation of the project to its closure. However, it is noticeable that the project life cycle which is going to be described in this chapter is not a closed cycle in the true sense due to the limited duration of the project (PMI 2013).

In practice, individual phases are in most cases, time bounded with a start and ending or a control point. Besides, the project life cycle can be determined depending on the unique aspects of the organisation, industry, or technology employed. Moreover, specific deliverables and activities, which take place during the project will vary depending on a specific project. Therefore, the project life cycle has a significant advantage because it provides a basic framework for managing the project regardless of the specific work involved (PMI 2013).

The consulted resources show two main approaches toward the project life cycle. Furthermore, those approaches differ timewise and partly in used terminology. The first approach, which is described by PMBOK Guide states that projects of various size and complexity can be mapped to the following generic life cycle structure (PMI 2013):

- *Starting the project*
- *Organising and preparing*
- *Carrying out the project work*
- *Closing the project*

On the other hand, the project life cycle can also be defined in a broader term, as the IPMA standards divide the project into three phases (Doležal, Máchal and Lacko 2012):

- *Pre-project phase*
- *Project phase*
- *Post-project phase*

Furthermore, both approaches, namely, generic project life cycle and IPMA's broader definition of the project life cycle, are described below in more detail.

1.6.1. The generic life cycle

It is clear that different projects vary in size and complexity; therefore, the generic life

cycle can be considered as a basic framework for mapping all different projects. The considerable advantage of this framework is its simplicity, hence generic life cycle is being used when communicating with upper management or other entities, which are less familiar with the details of the project. The figure which can provide a common frame of reference for comparing a wide scale of projects is presented below (PMI 2013).

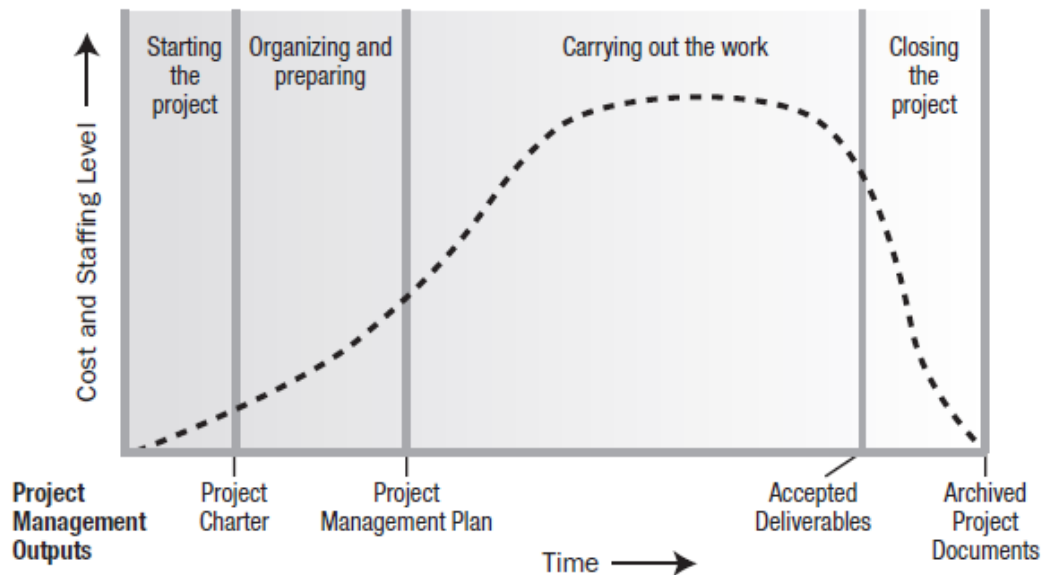


Figure 3 **Typical cost and staffing levels across a generic project life cycle structure** (PMI 2013)

As it is demonstrated in Figure 3, cost and staffing levels are low at the beginning of the project, and they peak as the work is executed and they plummet rapidly as the project reaches the closing phase. However, some projects might require spending a significant amount of money very early in its life cycle. Therefore, the typical cost and staffing curve might not apply to all projects and every project should be examined individually (PMI 2013).

Other variables which differ across the project life cycle are risk and uncertainty. Moreover, the cost of change, which is the ability to influence the final characteristics of the project's product, also varies throughout the duration of the project. Figure 4 shows both discussed factors.

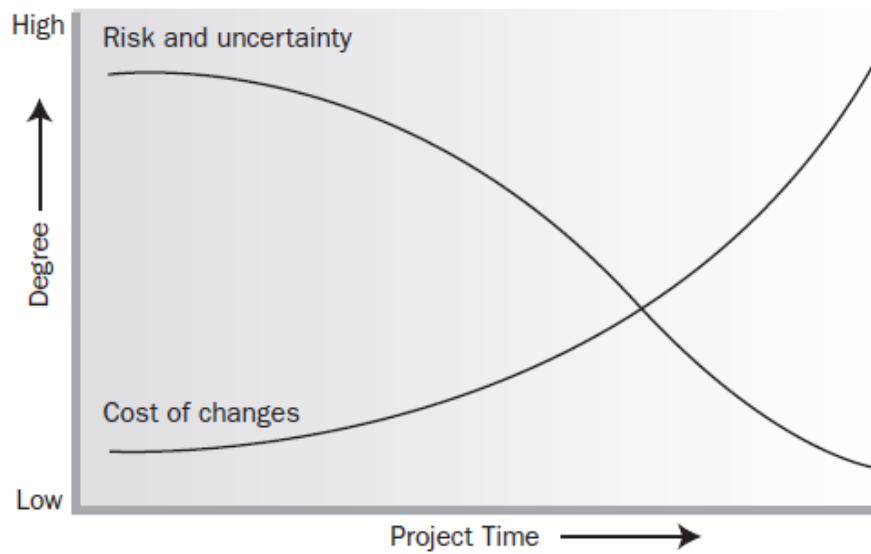


Figure 4 **Impact of Variables on Project Time** (PMI 2013)

As it is illustrated above, risk and uncertainty are greatest at the beginning of the project, and they drop over the life of the project as decisions are made and deliverables are accepted. In addition, it is easier to influence the final characteristic of the project's product without significantly impacting cost at the beginning of the project. On the other hand, as the project progresses towards completion, it might be costly to correct errors or change the final characteristic of the project's product. Although the risk and uncertainty curve together with the cost of change curve is valid to some extent in almost all project life cycles, it is worth mentioning, that they are not always present to the same degree (PMI 2013).

1.6.2. IPMA standard project life cycle

As it was discussed above, the generic life cycle is not the only approach, which is accepted by academics. A good example is provided by Doležal, Máchal and Lacko (2012), who use a different approach than the PM BoK standard. The possible reasons might be that the PM BoK standard fails to present the project life cycle in a bigger picture because it does not consider the pre-project and post-project phase. On the other hand, the PM BoK standard defines certain inputs, which are created before the project phase, hence these inputs can be recognised as a substitute of the pre-project stage.

To overcome the difficulties with the missing pre-project and post-project phases, Doležal, Máchal and Lacko (2012) divide the project life cycle in the most general way

to pre-project, project and post-project phase. The pre-project phase includes the idea of realising the project and the need for reviewing this idea to check whether the project is feasible. The main project phase focuses on the initiation of the project, planning and implementation of the project and project completion. Lastly, the post-project phase, for example, includes the evaluation of the whole project and provides lessons, which might be helpful for further development of the project team (Doležal 2016). Furthermore, individual phases are examined in more detail.

1.6.3. Pre-project phase

The main aim of the pre-project phase is to examine the possible opportunity for undertaking the project and to assess the feasibility of the project. Besides, the vision of the project, which is the basic idea about the project, might be included in the pre-project phase as well. In addition, various analysis and studies are carried out in this phase to determine whether the project should be undertaken. Major analyses that are being performed are the Opportunity Study and Feasibility study. Both documents can be separate or in case of less complex projects, they can be a part of one comprehensive document. Generally, all strategic questions, which are related to the project, should be answered during the pre-project phase (Doležal, Máchal and Lacko 2012).

Opportunity study

Opportunity study is usually carried out to investigate whether the project is worth undertaking. In other words, the opportunity study should examine the current situation on the market and the situation within the organisation. Furthermore, the opportunity study should also provide the organisation with the analysis of the expected development of the market and the development of the organisation. For better evaluation of the project, aggregated information, which are the results of expert estimates without detailed analysis and SWOT analysis, are being used. The results of these analyses should recommend the organisation either to withdraw the project or realise the intended project. In the case of the latter, the opportunity study should also present a more detailed characterization of the project (Fotr and Souček 2010).

Feasibility study

If an organisation decides to undertake the project based on a recommendation from the

Opportunity study, the Feasibility study should suggest the best way to implement the project. Moreover, the study should specify the project content and the planned start and end dates of the project. Besides, the total costs and significant resources which will be needed for undertaking the project should be estimated as a part of the feasibility analysis (Doležal, Máchal and Lacko 2012).

On the other hand, it is important to point out that a feasibility study for a large capital project can take years to be completed. In addition, a significant amount of financial resources might be needed to perform this type of analysis. Nevertheless, an excellent feasibility study can help the project to be pointed in the right direction. Furthermore, it can recommend the most effective strategy, and it can facilitate the definition of the risks and achievable objectives (Lock 2013).

1.6.4. Project phase

The following subchapter characterises the individual components of the project phase. The project phase consists of the project initiation, project planning, project implementation and project close-out. Furthermore, the work breakdown structure and matrix of responsibilities are analysed, as they represent essential outputs of project planning, and they are regularly used when managing a project (Svozilová 2016).

1.6.4.1. Project initiation

If it is decided to implement the project, it is necessary to initiate the project in accordance with the applied methodology. Hence, project initiation should be a well-defined process (Doležal, Máchal and Lacko 2012). Besides, Svozilová (2016) argues that the prerequisite for this process is the existence of a set global goal, which should be fulfilled by the project implementation. Furthermore, during the initiation of the project organisation, the project manager should undertake the following activities.

- Evaluate the strategic goals of the organisation and set out specific objectives which should be achieved.
- Decide whether the organisation should achieve these goals by doing the project internally or address an external organisation.
- Define the conditions and assumptions for the project implementation.

- Appoint the individuals who will be responsible for the project implementation during its life cycle.
- Create a project charter document, that specifies the intentions of the project implementation and set up the Preliminary Project Scope Statement, which clearly and unambiguously defines all the required project objectives.

By the same token, project initiation includes the correct formulation of the projects, which might be achieved, for example, using the SMART technique, which is already characterised in the previous chapter. (Svozilová 2016). Furthermore, the initiation is the last point, when a logical framework can be set up if this has not been done in the pre-project stage (Doležal, Máchal and Lacko 2012).

1.6.4.2. Project planning

Before the project planning starts, the project charter should be already created, and the project team should be established. Moreover, the project team should already know the project in more details because of the knowledge of all documents created in the previous phases. Besides, the newly established team immediately defines the scope of the project in detail, creates a project management plan, identifies the activities needed to implement the project, and creates a project schedule. The project management plan is a document or set of documents that cover a future project on all relevant management issues (Doležal 2012). Moreover, the creation of a project management plan is a highly standardised procedure. Furthermore, after the project schedule is approved as the initial plan, it is called baseline. The baseline is a valid, up-to-date guideline of the project, which might be possibly modified by approved updates and changes (Doležal, Máchal and Lacko 2012).

The importance of the scope management at the outset and throughout the project was acknowledged by both APM (2019) and PMI (2019). Therefore, it is essential to manage the scope right from the beginning of the project. Both organisations suggest using a work breakdown structure (from now on WBS) as a tool for defining the scope of the project.

The Work Breakdown Structure (WBS)

A guide to the project management body of Knowledge defines the WBS as follows (Brotherton et al. 2008):

“A deliverable oriented hierarchical decomposition of the work to be executed by the project team to accomplish the project objectives and create the required deliverables. It organises and defines the total scope of the project. Each descending level represents an increasingly detailed definition of the project work. The WBS is decomposed into work packages. The deliverable orientation of the hierarchy includes both internal and external deliverables”.

According to Lock (2013), the WBS can be characterised as a logical structure, which is in the shape of a hierarchical tree. The project itself is on the top of the tree, and all the tasks needed to complete a project are underneath. The first layer or level within the project involves the main work packages. In addition, every level down gets progressively more and more detailed until the bottom level is achieved. This bottom level shows the fundamental day-to-day tasks or project components, which needs to be done during the project. It is important to involve all the activities into the WBS, hence minimalise the risk of omission of any key task because otherwise, the project will not be dealing with this task. One of the tools, which might help to facilitate the creation of the WBS is the use of a suitable checklist. By the same token, brainstorming can also be a useful method, especially for projects with no similar predecessors. In practice, coding systems are being used for WBS to help retrieve the items from records of past projects, which correspond to the similar items expected in the current project more easily (Lock 2013).

To make the WBS as beneficial as possible and therefore, to manage the project well, it is crucial to break down the structure efficiently. The examples of the division are as follows (Doležal, Máchal and Lacko 2012):

- *by outputs of the project*
- *by product life cycle*
- *by functional areas of Linear Organizational Structure*
- *by place of work*

Furthermore, the basic outlined WBS table is illustrated below in Figure 5.

Project Name	Task 1	Subtask 1.1	Work Package 1.1.1
			Work Package 1.1.2
		Subtask 1.2	Workpackage 1.2.1
			Workpackage 1.2.2
	Task 2	Subtask 2.1	Workpackage 2.1.1
			Workpackage 2.1.2

Figure 5 **Example WBS** (Work Breakdown Structure 2019)

Matrix of Responsibility

The responsibility matrix, which can be often referred to as a RACI matrix or RASIC matrix, represents a clear and specific definition of the responsibilities of the project team members for specific project results. In addition, this matrix is closely linked to WBS because it can be used to accurately define the responsibilities of each team member for each WBS element. The acronyms represent each level of potential responsibility as follows (Horine 2013):

- R—Responsible
- A—Accountable
- C—Consulted
- I—Informed
- R—Responsible
- A—Approve
- S—Support
- I—Informed
- C—Consulted

The responsibility matrix columns show the organisational structure of the project, the rows contain the names of the individual work packages according to WBS. In other words, the RACI matrix shows the interconnection of WBS with the organizational structure and individual types of relationships within the project. As project work

progresses, the matrix should be refined and redefined if needed so it best meets the needs of the project manager (Doležal, Máchal and Lacko 2012).

1.6.4.3. Project implementation

It is advisable to arrange a kick-off meeting as the project implementation starts to announce that the physical implementation of the project begins. Moreover, all stakeholders meet and have an opportunity to become acquainted. Furthermore, the project management plan and project schedule are summarized. During the project implementation, it is important to monitor whether the actual progress goes as it was planned. When the deviations from the plan are identified, it is necessary to modify the actual plan. In addition, in some scenarios, it might be required to create a completely new baseline in order to provide the most accurate information (Doležal, Máchal and Lacko 2012).

1.6.4.4. Project close-out

At this stage, the physical and contractual handover of the output takes place. Additionally, acceptance protocols are being signed, and the invoices are being sent to suppliers. Also, the project team usually prepares a final project report, which summarises the experience and useful knowledge of project implementation gained during the project and recommendations for future projects. Subsequently, the project is evaluated by the project team before it can be closed. Additionally, the project team is dissolved, and all project processes are closed. Lastly, however, the output of the project, which is in most cases a product or service, has been already handed to the customer at this stage, organizations need to take into account and perform all the necessary steps, which has been discussed above to properly declare the project as terminated (Doležal, Máchal and Lacko 2012).

1.6.5. Post-project phase

A lot of new knowledge and experience is gained during the project that can be used in other projects. Hence it is crucial to analyse the whole project and to identify both positive and negative experience afterwards. Based on this experience, it is easier not to repeat the same mistakes in case of realisation of similar projects in the future. Moreover, the nature of some projects allows stakeholders to see the benefits only after some time, therefore,

in such cases, it is essential to plan the evaluation date in advance. Although the project team is already dissolved, it is advisable to determine who will be responsible for this late assessment before the project is closed (Doležal, Máchal and Lacko 2012).

1.7. Project team

The difference between a successful and unsuccessful performance can often be connected to the effectiveness of the project team. According to Sundstrom, de Meuse and Futrell (1990), the project team can be defined as *a small group of interdependent individuals who share responsibility or outcomes for their organisations*. Besides, over time, project managers quickly learn the critical significance of the effective project team and the role of team building activities in facilitating project management performance (Thamhain 1983).

In addition, the importance of developing effective teams is derived from three major forces. The first force is concerning the fact that there are more experts within the organisation whose talents need to be focused and integrated into a larger task. Secondly, more organisational members want to enhance their involvement in the total work environment. Last but not least, there might be significant synergies and creativity boosts, which are coming from the people working together on the same project. By the same token, increasing task complexity and complicated environmental interfaces also drive the development of effective teams forward. Another positive effect on the project team is the level of job satisfaction, which is increasing by effective team building (Thamhain 1983).

1.8. Risks and opportunities

All projects are naturally risky because as it was already mentioned, they are by definition unique, constrained, based on assumptions, performed by people and they are subject to external influences. To deal with the riskiness of any project, it is important to take into account all individual risky aspects, considering that risks can affect the achievement of objectives either positively or negatively. The positive events are usually referred to as opportunities, while the possible negative events are being referred to as threats. Both threats and opportunities should be managed through the risk management process (APM 2019).

1.8.1. Project risk management

Generally, project risk management involves the processes of conducting risk management planning, identification, analysis, response planning, and controlling risk on a project. In addition, the main goals of project risk management are to raise the likelihood and impact of positive events and decrease the likelihood and impact of negative events in the project (Svozilová 2016). In other words, the primary objective of any project should be optimising the risk management, so the opportunities are maximised, and at the same time, threats are minimalised.

In the matter of fact, APM (2019) defines risk management in the same manner as it is described above. It defines the project risk management as “*a process that allows individual risk events and overall risk to be understood and managed proactively, optimising success by minimising threats and maximising opportunities.*”

Furthermore, APM (2019) provides the definition of project risks on two levels. First, an individual risk at the detailed level is defined as “*an uncertain event or set of circumstances that, should it occur, will have an effect on the achievement of one or more objectives.*” Second, at the higher level of the project, the overall risk is defined as “*exposure of stakeholders to the consequences of variation in the outcome’ arising from an accumulation of individual risks together with other sources of uncertainty.*”

In addition, the high-level process, which is illustrated below, starts with the initiation process that describes the scope and objective of risk management. Also, a significant output from the initiation step is the production of the risk management plan, which explains how risk will be managed throughout the life cycle of the project (APM 2018).

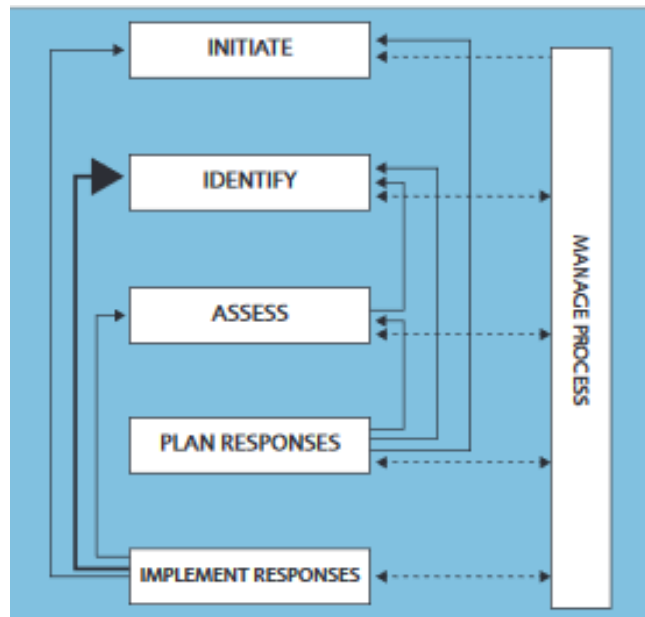


Figure 6 **The risk management process** (APM 2018)

After the initiation, when the risk management plan is produced, the risks are usually identified and documented in the risk register. Additionally, qualitative techniques are used to assess the relative significance of identified risks. This assessment enables to project manager to prioritise the risks for further attention. On the other hand, quantitative risks analysis might also be implemented to determine the combined effect of risks on objectives (APM 2018).

The risk management process progresses with the risk response planning to threats and opportunities. According to APM, the threats can be avoided, reduced, transferred, and accepted, whereas opportunities might be exploited, enhanced, shared or rejected. Furthermore, all these risks responses can be implemented only with a contingency for risks which cannot be managed proactively (APM 2019). This means that unknown risks cannot be managed in a proactive way; thus, they might be assigned as a management reserve. When a negative project risk occurs, it is considered as an issue (PMI 2013). As it is illustrated in Figure 6, the last step is the implementation of agreed responses.

As it is indicated by the arrows in the graphs, the risk management process is iterative. A good example might be the assessment or response planning, which might lead to the identification of new risks. Moreover, during the process of implementing responses, the project manager might discover that there is a need for further analysis (APM 2019). Unless there is a specialist risk manager appointed in the project, it is the project

manager's role to identify and manage behavioural influences on the risk process, because these influences may have a significant impact on the overall effectiveness of the risk management process (APM 2019).

1.8.2. Risk Project Analysis

One of the possible methods that can be used for project risk analysis is the RIPRAN method, which is an empiric method firstly introduced by Lacko (2019). The method was designed in accordance with the PMI and IPMA principles of risk project management. According to Doležal (2016), this method is divided into five steps, which are presented below.

- 1. Preparation of the risk analysis*
- 2. Identification of the risk*
- 3. Quantification of the risk*
- 4. Response to risk*
- 5. General assessment of risk*

The first step includes the preparation of essential inputs which need to be ready in the next steps, such as a description of the RIPRAN method, the RIPRAN method forms, and the instructions, which are associated with the risk analysis. The outcome of this phase is, for example, a timetable for performing risk analysis. In addition, the risk analysis team is formed during this stage. Second, the project team identifies the threats and presents them in the form of a table. Moreover, during the second step, not only the threats but also possible scenarios are suggested by individual team members. The table can be filled in either by identifying the threat first and then finding the possible scenarios to that particular threat or finding the possible scenarios first and then trying to find the origin of that scenario (Doležal 2016).

Third, the risk is quantified by expanding the table from the second step on the probability of occurrences of each scenario. Additionally, the impact of the individual value of each scenario on the overall project performance is determined, and the final value of the risk is evaluated in monetary terms. The final risk value is calculated as the probability of individual scenarios multiplied by the financial impact of that scenario on the project. Depending on the final value, the risk can be characterised as a low, medium or high. The

fourth step is implemented in order to propose appropriate measures to reduce the risk to an acceptable level (Doležal, Máchal and Lacko 2012).

In the last step, the general assessment of risk is performed with an objective to assess whether the overall riskiness of the project is within limits or if the specific measures need to be applied (Doležal 2016). The structure of the risk analysis method described above is illustrated in Table 3.

Table 3 **Risk analysis structure** (Own source)

	Threat	Scenario	Probability	Impact	Risk Value	Measures	New risk value
1.							
2.							

1.9. Project time management

Proper time management is a fundamental part of every successful project. It usually includes the processes required to manage the timely completion of the project (PMI 2013). These Project Time Management processes, which are usually required to ensure the smooth flow of the project, are defined according to PMI (2013) as follows:

- **Plan Schedule Management**—*The process of establishing the policies, procedures, and documentation for planning, developing, managing, executing, and controlling the project schedule.*
- **Define Activities**—*The process of identifying and documenting the specific actions to be performed to produce the project deliverables.*
- **Sequence Activities**—*The process of identifying and documenting relationships among the project activities.*
- **Estimate Activity Resources**—*The process of estimating the type and quantities of material, human resources, equipment, or supplies required to perform each activity.*
- **Estimate Activity Durations**—*The process of estimating the number of work periods needed to complete individual activities with estimated resources.*

- **Develop Schedule**—The process of analysing activity sequences, durations, resource requirements, and schedule constraints to create the project schedule model.
- **Control Schedule**—The process of monitoring the status of project activities to update project progress and manage changes to the schedule baseline to achieve the plan.

Furthermore, according to Svozilová (2016), the creation of a schedule represents an integral part of any project planning because it includes information on the dates and timelines for project works. Besides, the project schedule is usually represented by diagrams, and it forms an important part of the project plan. By the same token, the project schedule is vital for capturing a large amount of information needed to manage a specific project. Crucial constituents regarding the element of time within project management are:

- Milestones and important project deadlines.
- Logical hierarchical structure of work converted into the time succession of tasks.
- Inputs of the anticipated length of the individual work segments.
- Links between the work segments, which helps to facilitate the work logic even in the case of time changes in schedule.
- Other facts, which help to comply with the schedule alongside the processes.

1.9.1. Milestones

Whilst the project activities consist of intervals, during which the work of a particular activity is carried out and might have resources and costs connected with that work, a milestone is a significant point or event in a project with zero duration (PMI 2013). Moreover, adding the milestone to the project schedule helps the project team to stay focused and motivated. Last but not least, the milestone is the tool, which enables the project manager to see and measure progress, and it puts the entire project into perspective by keeping everyone on track (Haughey 2013).

1.9.2. Gantt Chart

Considering that milestones have the disadvantage of not indicating individual tasks which need to be performed and not taking into consideration the duration of those tasks, the author introduces Gantt Charts, which do not have such shortcomings. Gantt Charts are widely used because they are simple, easy to understand and not difficult to create. Additionally, they can be produced even without specialised software support, and no special qualifications are needed in order to understand them. By the same token, they are superb visual aids and their effectiveness can be enhanced using different colours.

As can be seen in the Gantt Chart below, the chart itself points out the sequence of tasks and the beginning and end of each task. In addition, individual tasks are usually organised in a row, and the timeline is developed on a horizontal line. On the other hand, because of the simplicity of the Gantt Chart, there are still some drawbacks which need to be considered alongside the benefits of this method. For example, Gantt charts are not able to clearly show all the complex interdependencies that are formed between the different tasks in most projects.

Table 4 **Illustration of Gantt Chart** (Svozilová 2016)

	T1	T2	T3	T4	T5	T6	T7
Task A	■	■					
Task B			■				
Task C		■	■	■	■		
Task D						■	■

1.10. Resource and budget management

According to APM, Body of Knowledge Resource management considers the allocation of a human, machine or organisational resources. Furthermore, it is a crucial requirement of effective project planning and project management (Maylor 2010).

A slightly different definition is presented by Barker and Cole (2014). The authors argue that resource management is the art of knowing what resources needs to be delivered successfully and getting the best out of them. Besides, resource planning is an integral part of the overall project planning, thus the project itself cannot be managed properly unless the resources are managed.

A crucial element of resource planning is estimating, which is being used to reach the best prediction of the resources required to deliver the project. In practice, it is advised to prepare two different estimates for both an optimistic and a pessimistic scenario. Then, the average of the two estimates might provide a reasonable starting point for the project. Moreover, it is important to consider the possible inaccuracy in initial prediction, which can be out by a factor of 200-300%. Obviously, the precision of estimation will improve during the course of the project (Barker and Cole 2014).

Whereas some projects might want to use sophisticated estimating tools, there are also projects lacking necessary financial resources on this matter. Therefore, the author recommends using the following general process, which might provide the basic framework for any resource estimation (Barker and Cole 2014).

1. Determine how the resource estimates are going to be organised and presented.
2. Break up the estimates into manageable chunks, which should be related to specific project deliverables.
3. Get the estimates for each chunk.
4. Produce the summary estimate.
5. Validate the estimates.

Another important part in resource management is building of resource contingency. Generally speaking, resource contingency is something extra, which is added to the original estimates to protect the project against steps that require more work than expected, or to reflect the fact that the original estimate is not always reliable (Barker and Cole 2014).

After having estimated what kinds of resources are needed in order to deliver the project and how much of each type of resource is desired, the creation of the resource schedule should follow. The resource schedule characterises how much of each resource is intended to be used over time. In practice, the resource schedule can be presented as

a table with a row for each resource type and a column for each week or month of the project. Then, each table cell will visibly record how much resource is planned to be used for what resource type in that week or month. Considering that the project manager needs to remain committed to supply the product which fits for its purpose, it is crucial to find the right balance between the cost of delivery and the time required to achieve the delivery of the desired product. Thus, it is vital to keep in mind that constraining resources will most likely lengthen timescales and vice versa (Barker and Cole 2014).

However, the initial identification, planning and allocation of resources are important for the successful completion of any project. Emphasis should also be put on tracking the actual resources and comparing them with the originally planned resource usage. The resource tracking facilitates the refinement of the resource plan when the project goes forward (Barker and Cole 2014).

1.11. Communication plan

Communication can be defined as “*who says what to whom in what channel with what effect*”. Because communication plays an essential role, especially in the field of project management, the success of a project is largely dependent on the efficiency of the communication network. Generally known technique for communications management among the project managers is to define the timing of communication and who is responsible for doing it. Furthermore, it is crucial to identify the nature of the communication, in other words, what will be told to whom and in what format (Rajkumar 2010).

Additionally, the communication plan can especially add extra value to those projects, who have a diverse stakeholder group which are mostly medium and large-scale complex projects. The importance of the communication plan is also stressed out by both Prince 2 methodology and PMI Body of Knowledge methodology. However, a communication plan is crucial; it is important to determine the communications that are necessary; otherwise, stakeholders might be overload with the information which is not needed or desired. Furthermore, the time spent creating and delivering such information is a waste of both human and financial resources (Maylor 2010).

2. Analysis of the contemporary situation

The following chapter introduces the analysed company. Additionally, microenvironmental and macroenvironmental analyses are presented. First, PESTEL analysis was conducted to assess external factors which may have an impact on the company. Also, the analyses focus primarily on Slovakia, as the project proposal is designed for potential customers in Slovakia. Second, Porter's five forces theoretical framework is applied in order to identify and assess forces in the competitive environment of SportObchod.cz s.r.o. Moreover, the emphasis is put on the main competitor of SportObchod.cz s.r.o. not only in Slovakia, Decathlon. Furthermore, the SWOT Matrix concludes the main findings from the above-mentioned analyses which will be further taken into account in the process of expanding the company's activities towards the organisation of an event for the general public.

2.1. About the company

Sportobchod s.r.o. was set up on the Czech market in 2002 as an e-commerce business. The main focus of SP is on sales of sports goods online. Additionally, SP also offers comprehensive services that are connected with the sale of sports equipment such as ski and bicycle service or stringing of tennis and badminton rackets. Besides, SP focuses primarily on young and middle-aged people, who like to be active.

SP grew gradually and became one of the largest and most successful online vendors with sports equipment in the Czech Republic. SP currently employs approximately 50-100 people (Sportobchod 2019), thereby SP can be classified as a small and medium-sized enterprise. In addition, the company opened a brick and mortar store in Brno in 2008, and a branch office in Prague was established two years later. Both stores were established to directly offer the best-selling goods from the online stores for the prices, which are identical to the online prices. Additionally, both brick and mortar stores are used as a delivery point for goods which were ordered online.

In 2010, the company began to work with Thule, a manufacturer of roof boxes and other accessories for cars, to enhance their relationship with active customers who like to travel. The company's relationship with the customer continues to grow through quality consulting services. Athletes who have considerable experience with different products

and are able to offer good advice for choosing the right product are employed as SP's consultants. This approach is also reflected in SP's philosophy, which says that the company should be as close as possible to its customers by providing them consultation about any goods or services the company offers.

Furthermore, SP's website is designed in the way the potential customers can easily find a high-quality product with detailed descriptions and pictures of all its features. Furthermore, there is also a phone number to the product manager attached so the customers can easily ask for advice on the desired product. More details are characterised further in this thesis, where the McKinsey 7S framework is applied to analyse SP's internal environment.

2.2. PESTEL analysis

The author uses PESTEL analysis to assess external factors which may have an impact on SP. The conclusions of PESTEL analysis are further taken into consideration in the SWOT matrix. Besides, the author presents the PESTEL analysis mostly focused on the Slovakian market because the project proposal is designed for the SP's potential customers in Slovakia. Moreover, more detailed information about Austria and Germany can be found in Appendix 1. In addition, the thesis should also serve as a guideline for other SP's projects in the future, thus the differences on SP's markets are identified in order to facilitate the organisation of future events outside of Slovakia.

2.2.1. Political factors

SP runs the business in the Czech Republic, Slovakia, Germany and Austria. All these countries are part of the European Union. Hence, the European Commission effort to break down online barriers might have a serious impact on SP. The primary objective of this effort is to provide full access to all goods and services to potential customers in the EU. Additionally, the new VAT law which considers the online sale of goods should enter into force in 2021. Another European law that came into force in 2018 intends to prevent online discrimination by nationality or place. On the contrary, e-commerce businesses such as SP might lose the advantage of having total control over their pricing strategies in different countries, therefore the company should pay extra attention to this rule and adjust its pricing strategy if required. Furthermore, the EU highlights the importance of protecting the rights of online purchasers by transforming the rules to facilitate the process

of protecting online consumers for national authorities. Because the service sector is highly influenced by different national regulations, the EU is trying to remove the obstacles to facilitate the shopping experience for local customers (Digital Single Market – European Commission 2019). Besides, this effort of the EU towards removing the barriers in the cross-border services pushes governments to reduce administrative regulations. Therefore, SP can highly benefit from such effort, because the creation of single contact points might reduce the costs which have to be spent on administration. (Ixpos.de 2019).

Slovakia

Slovakia together with Germany, the Czech Republic and Austria are members of the European Union and the Schengen area, hence the export and import of goods are not subjected to quotas and tariffs, which means significant savings for the majority of businesses but particularly for businesses in the e-commerce sector. Although there is no visible factor which might jeopardise SP's business activity, including new projects in Slovakia, the political situation in Slovakia is not very stable. The political situation in Slovakia got into crisis in 2017 when an investigative journalist and his fiancé were murdered, possibly due to his investigation of political corruption in this country. As a result, the unstable Slovak political situation has not been yet completely recovered, therefore the topic of corruption is still widely debated (Hudáková 2018). Furthermore, constant changes might occur in the ruling party due to this instability. On top of that, there is a danger of frequent changes to the law, which might increase the costs for businesses operating in Slovakia. The Corruption Perceptions Index ranked Slovakia on the 57th place in 2018, which underlies the previously mentioned unstable political situation in the country (E.V. 2019).

2.2.2. Economic factors

SP is registered in all countries in which operates in order to pay VAT at the rate applicable in those countries. Besides, SP runs the business using the Czech crown and EUR in those countries to purchase and sell goods and services, therefore it is vital to monitor the development of the exchange rate of these two currencies and if the exchange rate starts to develop in a different manner than it is expected, SP should have been already prepared for this situation, for example, by hedging. It is worth mentioning, that

over the past five years, the Czech crown has strengthened against the EUR (Cnb.cz 2019).

Slovakia

Slovakia recorded an inflation rate of 2,5% in 2018 (Ec.europa.eu 2019). Besides, Slovakia has also experienced a period between the years 2014 and 2016 with the unconventional negative rate of inflation. The unemployment rate in Slovakia was recorded at 8.13% in 2017, which, even though it is the lowest unemployment rate in the last nine years, it is still a higher number than in other countries of SP's operation (TheGlobalEconomy.com 2019). If the unemployment rate keeps decreasing, SP's potential customers might have more money to spend on their sports activities, therefore they could purchase sports equipment more often or pay for an event in their region. The last recorded GDP per capita was 15 000 EUR in 2017 and is steadily increasing (Ec.europa.eu 2019). Still, Slovakia's GDP per capita is very low in comparison with Germany and Austria. Interest rate is stable and was recorded at 0,88% in 2019, hence there should be no threats connected with the unexpected development of interest rates. (Ycharts.com 2019). The average gross salary in Slovakia is 980 EUR per month, which makes Slovakia the sixth lowest ranked country from the perspective of the gross salary among all countries in the European Union. The average net salary in Slovakia is 748 EUR per month (Reinis Fischer 2019). The standard rate of value-added tax applicable for SP is 20%, and the reduced rate is 10% (European Commission 2018).

2.2.3. Social factors

As it was already mentioned, the analysed company runs an e-commerce business in three foreign countries, hence it is important to consider differences regarding social factors in individual countries. These specifics of the individual countries are critically analysed further in this subchapter, as Europe is firstly characterised as a whole. The European population grew rapidly between the years 2013 and 2018. This growth, which is amounted to more than 10 million people, is illustrated in Figure 7 (Ecommerce Europe 2018).

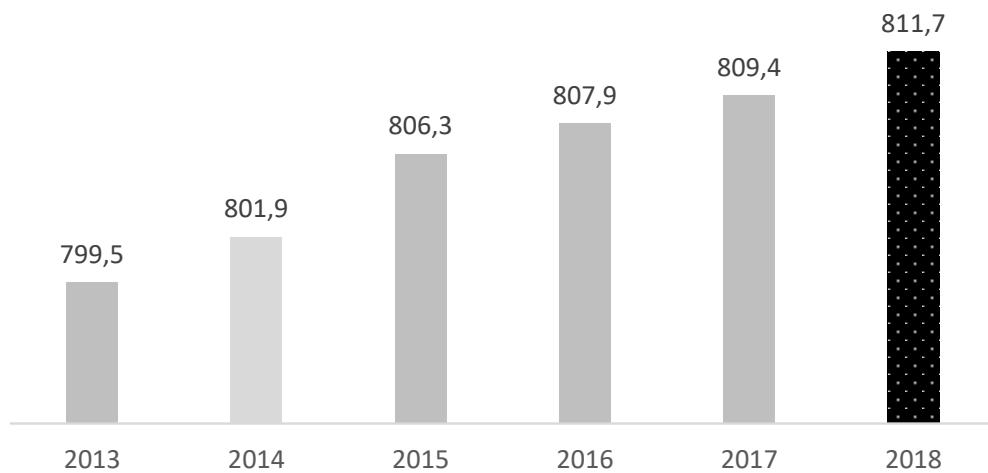


Figure 7 **Europe's population in millions** (Ecommerce Europe 2018)

Also, another social factor which is characterised is the behaviour of buyers of goods or services using e-commerce platforms. The figure below points out the fact that the most popular goods or services to buy using European e-commerce business were purchases of clothes and sports goods in 2017. The second favourite choice of customers was purchasing a travel or holiday accommodation together with the purchase of media and computer software (Ecommerce Europe 2018). SP could diversify its portfolio of operation by enjoying the growing trend of clothing and sports market category and by expanding into other successful categories such as organisations of events.

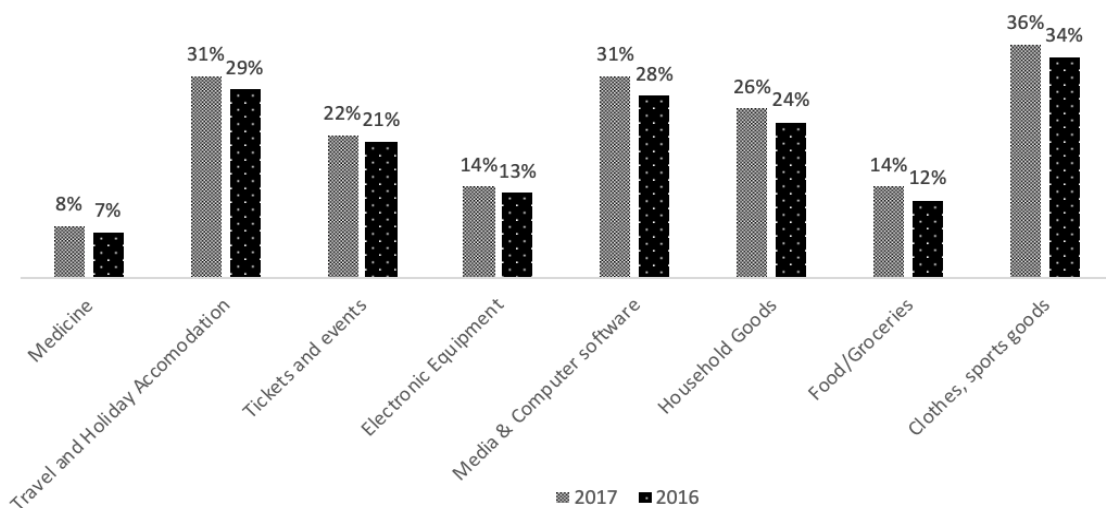


Figure 8 **The most online purchased items in Europe** (Ecommerce Europe 2018)

To get a deeper insight into the age distribution of the e-commerce customers, the It is noticeable, that the 25-54 years-old purchased most often online in Europe. Moreover, 56% of customers who are 55-74 years-old purchased goods or services online in 2017 in Europe (Ecommerce Europe 2018).

The data regarding corresponding countries are elaborated below.

Slovakia

More than half of Slovaks purchased goods and services online in 2017. Additionally, total sales from e-commerce business rose by 10% during 2017, which makes Slovakia one of the fastest growing countries in Europe. For comparison, the highest e-commerce sales growth was recorded in Romania with the grow of 37% in 2017. Besides, cross-border e-purchases were 26% in Slovakia. The low number of cross-border e-purchases may be a result of a bad experience with purchasing goods from a foreign country. Slovakia's population amounts to 5.4 million (Ecommerce Europe 2018). It is also worth mentioning that there is the same ageing trend in Slovakia as in Austria and Germany. However, Slovakia is still experiencing a demographic change, which western countries have already passed. A potential decrease of Slovak population might be caused mainly by the low fertility rate together with the low immigration. On the contrary population in Germany increased because of many immigrants (Spectator.sme.sk 2019).

In order to examine the culture and habits in Slovakia, the Hofstede model is used. Due to the fact that Slovaks are a highly masculine society, people are highly success oriented. Furthermore, status orientation is significantly important for Slovaks, hence people may tend to buy expensive cars or luxury watches in order to show their status among others, which is a similar approach with the German culture. On the other hand, Slovaks are long term-oriented individuals, therefore they might think about their future which is connected with saving and investing of the free financial asset instead of spending all money on expensive luxury goods. Last but not least, Slovaks can control their desires, hence they do not need to enjoy a leisure time that often. (Hofstede Insights 2019).

2.2.4. Technological factors

The most important technological factor from the point of view of SP is internet penetration. It is a vital factor for all e-commerce businesses. It is worth mentioning that internet penetration in Europe is steadily growing. According to Ecommerce Europe (2018), the overall internet penetration was 83.11% in 2018, which represents more than five per cent growth in comparison with the year 2012. Besides, Austria has internet penetration reaching 91%, making Austria a country with a great potential for operating an e-commerce business. On the other hand, Germany is also a promising country, having an internet penetration of 91% in 2018.

Slovakia's internet penetration was 83% in 2018, which is slightly below the European average (Ecommerce Europe 2018). However, it is important to keep in mind that it is not possible to make an implication that anyone who has access to the internet will purchase goods or services with certainty, but it is worth to consider this indicator for SP, because without the access to the internet it is not possible to buy goods or services online. This makes internet penetration a fundamental but crucial index for SP.

SP could further analyse the logistics performance index, which shows trade logistic friendliness in individual countries. The individual components of the trade logistic index calculation are international shipments, tracking and tracing, customs, infrastructure, logistic competence and timeliness (Ecommerce Europe 2018). Even though some of the components do not have a direct connection with technologies, logistic performance index might provide SP with a valuable insight by analysing the overall logistic experience in a particular country. Besides, the Logistic Performance Index score in countries where SP operates can be found in Figure 9. On the first place in trade logistic friendliness is ranked Germany followed by Austria.

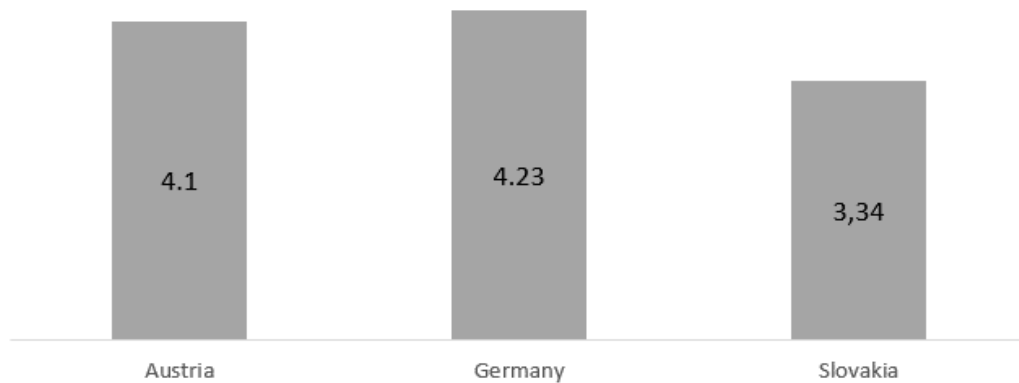


Figure 9 **The Logistic Performance Index** (Ecommerce Europe 2018)

Additionally, the following paragraphs focus on the types of payments, delivery methods and other useful indicators, which might be helpful in providing a deeper insight into the behaviour of customers in different countries.

It was found out that Germans prefer using PayPal, advance payment, credit card and purchase on account when purchasing goods and services online. Furthermore, they tend to use DHL, HERMES, DPD and GLS as a delivery method. For comparison, Slovaks favour delivery home, to a parcel shop, to a post office or to work. Moreover, Slovaks prefer using mobile phones, prepaid cards, credit cards and e-wallets to pay online. Last but not least, Austrians pay on the internet mostly using a credit card, PayPal, online transfer or Klama (Ecommerce Europe 2018).

2.2.5. Environmental factors

The following subchapter presents the specific environmental factors in Slovakia.

Slovakia

Unlike Austria or Germany, Slovakia performs poorly considering the waste management system in the country. The current waste system is the worst among all countries in the EU. Another evidence of this poor environmental performance is a low recycling rate (Ec.europa.eu 2019). To conclude, the going green initiative is not vital for Slovaks compared with other countries of SP's operation.

2.2.6. Legal factors

There are no decisive legal factors, which would directly affect SP's event management,

but an overall legal situation in individual countries of operation can be analysed by using the ease of doing business ranking. This ranking is made based on factors such as paying taxes, trading across borders, enforcing contracts, resolving insolvency and starting a business. Germany is ranked 24th, Austria 26th and Slovakia 42nd among all countries, which were also analysed by this ranking (Tradingeconomics.com 2019). This ranking indicates that Germany has the most business-friendly regulations among other countries in which SP runs the business. In contrast, it is more difficult to establish and operate a business in Slovakia.

Although the EU's General Data Protection Regulation (GDPR) came already into effect in 2018, SP should manage the customer, user or employee data carefully in order to prevent a violation of this regulation, which could result in significant fines.

2.3. Porter analysis

The author applies Porter's competitive framework to identify and analyse forces in the competitive environment of the company. Furthermore, this analysis might provide the company with a deeper insight into its microenvironment, especially it may facilitate the process of identification and evaluation of horizontal and vertical competition. The latter is represented by the bargaining power of suppliers and the bargaining power of customers whereas the former includes the threat of substitutes, the competitive rivalry and the threat of new entrants (E. Dobbs 2014).

2.3.1. Competitive rivalry or competition – moderate force

SP sells a wide range of sports equipment and sports clothing from several brands, which are unique among other competitors (Sportega.at 2019). Besides, SP also puts emphasis on building customer relationships by recommending customers what type of sports equipment is the best fit for them and by providing the after sales services such as bicycle service for its customers. Many competitors often offer products from only one single brand, such as Adidas.at, an e-commerce business in Austria. Even though Decathlon.at offers more goods from a variety of brands, it is not able to provide customers with a wide range of sports goods like SP. In spite of such advantages of SP, the concentration of competition in the e-commerce industry is according to the CEO of SP enormous due to the low switching costs for potential buyers and high availability of similar goods (SportObchod 2019).

While SP does not have direct competitors that would be similar to the SP's focus and philosophy, the big competitor with different philosophy is Decathlon. Decathlon's motto is Sport for all – all for sport. The main objective of this motto is to focus on all customers. Additionally, Decathlon retails sports equipment mostly by designing its own brands, hence Decathlon can afford to sell these own brands at a lower price point compared to most competitors. Besides, Decathlon also runs the business in the same countries as SP does. However, Decathlon is offering a wide range of products, they do not usually have their own a range of premium goods of well-known brands (Decathlon.at 2019). Other e-commerce businesses operating in those countries with a higher market share are for listed below however, they are not perceived as direct competition for SP.

Slovakia

Because decathlon.sk was already discussed as a competitor which operates in similar countries as SP, sportisimo.sk is another huge company operating in Slovakia. Both mentioned companies have a benefit of operating in brick and mortar shops, where potential customers can try goods before buying them (sportisimo.sk 2019).

2.3.2. Bargaining power of buyers or customers – the strong force

Customers of an e-commerce business are mainly individuals who buy goods or services. Additionally, SP highlights a customer-centric approach of company management. There is an enormous pressure on a low price point from the potential customers, moreover, some e-commerce businesses might choose to dump the prices; thus, they offer their goods or services for a significantly lower price. Because of this pressure, other e-commerce businesses are pushed to decrease their prices if they want to stay competitive. Therefore, there is a massive power of buyers, which might in the worst-case scenario jeopardise the stability of the whole industry. Besides, customers also want a great choice of the product range, hence they desire to have the possibility to choose any product from any brand on a single website. However, it is not possible for a single e-commerce business to sign a distribution contract with all available brands. Furthermore, customers want to try out the goods before they buy them, therefore the cost of inventory and cost of renting a space or building a brick and mortar shop incurs as well. All these influences and the external factors such as low switching costs and high availability of substitutes point out to the fact that the bargaining power of buyers is strong. On the other hand, e-commerce businesses such as SP can perceive this strong force as an opportunity, which might be exploited in order to gain a competitive advantage.

2.3.3. Bargaining power of suppliers – moderate force

Suppliers play a vital role, especially in the e-commerce industry due to the fact, that suppliers of exclusive brands such as Nike or Babolat select carefully the e-commerce partners to collaborate with. Additionally, it is complicated for a relatively small company such as SP to negotiate with potential new suppliers because it might take even months to sign a new contract (SportObchod 2019). On the contrary, because the sports equipment and sportswear market are very saturated, SP is not completely dependent on only one exclusive supplier. Therefore, in the worst-case scenario, if the company loses

one of the most important suppliers, it would still be able to advertise other brands on the e-commerce website, thus the company would have enough time to find a new supplier to fill this gap (SportObchod 2019). Therefore, a large number of different suppliers and also purchases from customers are being divided between many brands, which make the bargaining power of supplier's moderate force.

2.3.4. Threat of substitutes and substitution – weak force

SP competes with many other e-commerce businesses in the e-commerce market. However, there are low switching costs for potential SP customers, there is so far no real substitute for sports equipment. The rising popularity of e-games might be perceived as a threat in the future because it could transform the entire sports industry (eSport 2019). In other words, people would play their favourite sport on game consoles instead of going to a sports court. It is worth mentioning that this transformation of the whole industry is not likely to happen this year, therefore, the threat of substitutes can be considered as weak.

2.3.5. Threat of new entrants or new entry – moderate force

There are several factors, which needs to be taken into account in order to analyse a threat of new entrants. These factors which are discussed below are economies of scale, product differentiation, capital requirements, access to distribution channels and legislation.

Firstly, any businesses that would seek the opportunity to enter the sports clothes and sports goods e-commerce industry in Austria, Germany or Slovakia would have to have a lot of free financial asset to have an opportunity to enjoy the economies of scale by buying in bulk. Although the sports goods market is very saturated, not every business has the capital to buy in bulk. On the contrary, big competitors like Amazon or Decathlon can benefit from an extra variety of discounts and benefits because they can place large orders.

Secondly, even though the company does not theoretically need an enormous amount of money to start an e-commerce business, it might be very challenging to enter the e-commerce market. This challenge is due to a lack of well-established relationships with customers in this sector. The goal of many companies is to build these relationships with customers from the very beginning. Moreover, they spent much money on the promotion

of their e-commerce business. Thus, it may be financially and time demanding to build a sufficient customer base without engaging with the community for many years.

Thirdly, as it was already pointed out, capital requirements play a crucial role when spending money on promotion or on buying in bulk. Although some factors can be defined as transition costs, other spending such as promotion costs needs to be paid on a daily basis in order to be successful in increasing brand awareness.

Access to distribution channels is another possible threat of a new entrant because if a new company on the market needs to negotiate the distribution of different brands, it might be very difficult. For example, many dealers provide exclusive partner deals, which are proprietary deals with the right to sell the brands goods only in a limited number of shops. On the other hand, if a new entrant manages to sign a deal with exclusive rights to sell a brand, this new entrant would have gained an immediate competitive advantage.

Last but not least, it is important to keep up with current legislation such as the GDPR, which precisely determines how to handle the data which are being collected by the company. This process of keeping up may be a significant hurdle for a new entrant, since not every company has well-educated employees who are capable of handling the fast-changing legislations issues. Hence, the new entrant without well-established legal department would have to subcontract these legal issues to another company, which might increase the costs.

2.4. Internal Analysis of the Company

The McKinsey 7S framework is applied in order to analyse SP's internal environment. This framework identifies and breaks down the factors into hard skills elements and soft skill elements. The hard skill elements are strategy, structure, and system, while the soft skills elements are shared values, skills, style and staff (McKinsey & Company 2019). The individual components of this framework within SP are analysed below.

2.4.1. Strategy

SP desires to sustain and stabilise its position as one of the strongest players on the Czech market in selling sports equipment, sports clothes, and providing additional services. Furthermore, the company wishes to improve its position in Austria, Germany, and Slovakia. Additionally, the author sees a great opportunity for SP in engaging with its

customers in these foreign countries by organising events which might build the brand loyalty, raise the brand awareness and educate potential customers about the SP's products.

Besides, the author sees the brick and mortar shops in the Czech Republic as a possibility to connect the online and offline world, and to provide its customers with a tangible experience of shopping unlike in the case of selling only on the internet. Therefore, potential customers have an opportunity to test the bestselling products in these stores. As in the case of organising events, a possible synergy of this personal connection of customers and the company might be the growth of brand awareness and brand loyalty. After opening the branches in Brno and Prague, the company expanded to foreign markets and started to sell goods in Germany, Austria and Slovakia. Unfortunately, the company does not have brick and mortar shops on these foreign markets, hence SP lacks the possibility of personal connection with the customers. However, the analysed company might see this lack of personal connection as an opportunity which needs to be exploited by the creation of events in countries without the brick and mortar shops. These events might serve as a catalyst for customer engagement, which might lead to sales growth.

Also, because SP is buying goods in bulk from its suppliers, they are able to negotiate better prices. Additionally, as a result of the wide offer and affordable prices, the company is able to differentiate itself from the competition. Besides, SP hires mostly former athletes to gain extra expertise which might be useful when advising customers which goods or services are the best fit for them. This aim to be close to its customers and advise them is also visible on SP's websites where the company describes the offered products in a very detailed and user-friendly way. This description is accompanied by a detailed photo gallery or video of the product.

2.4.2. Structure

SP has a flat organisational structure. The company is managed by the CEO, who is in charge of strategic planning and financial management. Furthermore, SP has a marketing department, finance department and sales department. Programmers and marketing specialists are working in the marketing department. Product managers and employees who are dealing with expedition and customer service are working in the sales department. The individual heads of departments are responsible for the work of its

subordinates. All employees know well what their tasks are, and they have a clearly stated accountability and responsibility for their work. SP does occasionally organise small events mostly for internal purposes such as company teambuilding, however, SP does not have a project management department or external providers of the event management. Until now, the organised events were managed by various employees depending on who has the least amount of actual work at the time of the preparation of the event. As these events often have a similar character, the company might consider assigning this task to one specific person, who would be in charge of the project.

2.4.3. System

Programmers, who do not have a separate department are working together with the marketing team. Moreover, they developed procedures which enhance the efficiency of the warehouses. Also, they developed software which boosts the automatization of SP's website. Due to the reason, that the software is created precisely for the use within the company, SP might gain a great competitive advantage against those competitors, who do not use systems, which are tailored to their needs. On the contrary, SP implemented a third-party accounting software since the tailoring is not needed in the case of such a standardised activity as accounting.

Last but not least, although the company occasionally organises events, they do not use externally purchased project management tools or any created custom programmed project management software. To conclude, SP actively seeks opportunities for developing its own systems, hence optimising its business processes. However, SP might also consider implementing project management software in case the management wants to put more attention on the event management.

2.4.4. Shared values

Even though profit represents an important factor for the company, SP's priority is customers satisfaction. Therefore, the company aims to provide the best shopping experience possible. Besides, SP is focusing on interacting with its customers to motivate them to live an active and healthy life and to promote and spread the SP's vision and positive values. Furthermore, to enrich the corporate culture and core values, the majority of staff are former athletes who can relate to the feeling of playing their favourite sport.

The CEO of SP also encourages employees with many benefits such as a financial bonus which keeps everyone concerned about the growth of the company.

2.4.5. Skills

SP's employees have excellent communication skills. Great communication is a key for efficient project management, thus if the company decides to assign a particular employee to be a project manager, who will be managing all the events, it is an excellent premise. On top of that, being a team player is vital within the environment of the company. The assigned project manager will have the option to choose any employees suitable for the particular event to work with him or her in the team. Moreover, the new team members will be adapted very quickly to a new task, thanks to the fact that everyone is already working in the same working environment and is a team player. Additionally, SP also aims to hire employees with a business mind to bring extra decision-making ability to the team. This ability is perceived as crucial in such a turbulent environment. Besides, the company aims to differentiate itself from the competition by taking advantage of the know-how of its employees in the field of sport products. Lastly, it is desired by SP to hire exclusively highly skilled programmers.

2.4.6. Style

Managerial leadership of the CEO and top management is quite liberal and open-minded. The top management welcomes feedback from its co-workers to find out whether the employees are satisfied with the workflow or if they suggest any improvements. The possibility to consult issues with the superiors daily is appreciated by the employees, therefore they are not afraid to approach the superiors and discuss the issues with them.

2.4.7. Staff

The employees on the majority of all key management positions must be university graduates in the area of their operation. Another benefit is an informal environment among the employees. Due to this friendly environment, there are no major disagreements within the company. Finally, as it was already mentioned, SP also runs regular teambuilding events such as corporate sports tournaments to engage the active lifestyle and positive mindset of all employees. Furthermore, the positive effect of the teambuilding activities which might be transferred from the SP's employees towards the

community of SP's customers by the organisation of an event specifically designed for this purpose.

2.5. Value chain analysis

The author conducted Porter's Value chain analysis to further analyse SP's microenvironment. This analysis divides SP's organisation actions into primary and secondary activities.

Primary activities in SP are comprised of inbound logistic, operations, outbound logistic, marketing and sales and service. Inbound logistics is executed by the company in a central warehouse in the Czech Republic, where the company has its headquarters. After receiving the goods, they are placed on the labelled spot in order to be ready to be sent to the customer. The possible downside of having only one central warehouse in the Czech Republic is the long waiting period when receiving goods from foreign suppliers. On the other hand, it is important to consider the location of the central warehouse in Brno also in connection with the possible event management. Obviously, it is logistically, and costs wise easier to dispatch testing products and other equipment to Slovakia than to Germany. As SP is not an industrial enterprise, operations contain mainly the process of repackaging sports equipment from original packaging into the new packages, which have an original company logo with the website and telephone number. Outbound logistics is executed in the same central warehouse in Brno. It contains the final packaging of goods and dispatching the goods to the customer. It is also worth mentioning that SP has a serious disadvantage in Outbound logistic because all goods, which are being dispatched to Austria, Germany and Slovakia are sent from the warehouse in the Czech Republic.

Additionally, as it was previously mentioned, SP is a customer-oriented company, therefore, marketing and sales activities are essential for the success of the company. The marketing department endorses the company not only by online advertising but also by sponsoring sports matches which are being broadcasted. However, this sponsoring might be very costly, and the results are uncertain. Therefore, the event which would highlight the brand visibility would be a good tool which might replace the current sponsoring activities. The important member of the project team would be the current marketing director of SP, who is in charge of all marketing communication with customers. Lastly, the company's primary activity is to provide a high-quality service. SP's sales and service

department take care of after-sales services and provides information about the goods and services to potential customers.

Moreover, secondary activities in SP consist of procurement, technology development, human resource management (HRM) and e-commerce business infrastructure (Choi et al. 2006). Procurement department supervises negotiating with the suppliers and purchasing of goods. Furthermore, the procurement department has in most cases a significant number of suppliers of a single brand, therefore they are able to negotiate the lowest possible price. SP is aware of the fact that technology might be the critical factor for gaining a competitive advantage and therefore employs highly skilled programmers with the expertise in the field of e-commerce. The programmers are working together with the marketing team. They are mostly working on the development of SP's websites. Programmers also focus on the optimisation of other areas, such as logistics or accounting. Because SP does not have an HRM department. The CEO of SP has to be in charge of the HRM function (Sportobchod 2019). This might be a very difficult task for him because he is responsible not only for recruiting new employees but also for performance evaluation, motivation, and training of employees. SP has also implemented the specific Management Information System (MIS) as a part of the corporate infrastructure to monitor and control internal processes such as the flow of information between different departments. This software could be further adjusted to meet the needs of the project manager, who would be in charge of event management.

2.6. SWOT matrix

The author concluded the main findings, which will be further used in the facilitation of the process of expanding company's activities towards organising of event for their current and potential customers into SWOT matrix which is presented below.

Table 5 **SWOT matrix of SP** (Own source)

Strengths	Weaknesses
<ul style="list-style-type: none"> • SP employs only team-players with a strong communication skill • Various range of many different products which might be tested by the potential customers • SP's employees have a strong sports background • Custom programmed systems • The long tradition of SP in the e-commerce industry • Availability of financial resources 	<ul style="list-style-type: none"> • SP does not use any project management methods or tools • Inexperience with organising events for the general public • One central warehouse in the Czech Republic • The company does not have a project manager.
Opportunities	Threats
<ul style="list-style-type: none"> • Diversification of marketing channels and portfolio of operation • SP does not have brick and mortar shops in Austria, Germany and Slovakia • The long distance between the company and customers • The potential growth of revenue caused by the project 	<ul style="list-style-type: none"> • The ageing population • High competition from companies with brick and mortar shops such as Decathlon. • Significant growth of e-sport • Risks associated with the undertaking of the project • Lack of interest from the general public

3. Proposal of solution

The following chapter discusses the proposal and contribution of a specific project designed for SP. The proposed project is based on the analyses which were conducted in the previous chapter. First, the project itself is characterised. Second, the project management tools and methods such as the SMART definition of project's objective, Logical Framework matrix, Work Breakdown Structure, RACI matrix and Gantt chart are employed to facilitate the organisation of the event for SP. Also, the project phases start with the initiation stage in this chapter because the analyses in the previous chapter already accomplished the pre-project phase.

3.1. About the project

The proposed project should be a new event, which combines the possibility of testing products for potential customers with building and engagement of SP's community and increasing the brand awareness. Although the project is planned specifically for the Slovak market, since Slovakia has been chosen as a venue for the event, the project itself might provide an elementary framework for SP's other markets as well. Obviously, in the case of markets in Germany and Austria, it is necessary to take into consideration the differences between these markets and the Slovak market, which has been identified and analysed in the previous chapter.

The organiser of this event will be SP. Additionally, the event will take place on the second Saturday in September. The event will be organised on sports courts where will be enough space for the presentation of various sports and the workshops from the experts on the various topics connected with the healthy lifestyle. Individual sports with the externally contracted coaches and healthy lifestyle workshops with externally signed experts will be assigned to a specific place in the venue. These coaching places and workshops activities will run continuously for the duration of the event except the sports exhibition game where everyone is expected to be gathered around the sports court, where the exhibition will take place. Moreover, at the end of this event, there will be a skill competition for valuable prizes.

3.2. Initiation phase

After deciding to undertake the project, the following subchapter identifies the stakeholders and states the project objective. Additionally, the author suggests creating a project team and presents a Logical Framework Matrix, which should be described in a way, so it is well designed, described objectively, possible to evaluate and clearly structured (European Integration Office 2011).

3.2.1. Project stakeholders

For the success of the project, it is vital to identify all stakeholders. Furthermore, the assigned project manager should monitor the stakeholders' satisfaction by setting up a communication plan with them at each stage of the project. The stakeholders for the SP's event are identified as follows:

- Project team
- Realising team
- Venue management
- External coaches, hosts and experts
- External food and beverages providers
- Media
- Public
- Participants/Guests
- CEO of SP
- Employees of SP
- Similar events with the same date as the SP's event

3.2.2. Project objective

The project objective is defined using the SMART technique, which is previously discussed in the theoretical part. According to this technique, the project objective is defined as follows:

The main objective of the project is to organise a one-day event for at least 1500 participants, who would like to enjoy the active day with sport on second Saturday in September 2019 in Bratislava within the budget of 5000 €.

S – specific

The project objective is to organise the event, which should attract participants of all ages and genders, who would like to enjoy the active day with the sport. However, the larger public, including not only sports enthusiasts will be approached. Furthermore, the project will offer the participants the opportunity to learn not only about the products which are offered by the company but mainly to gain new knowledge about various topics connected with sports education and health. Last, participants can improve in many sports, thanks to the supervision of experienced coaches.

M – measurable

The aim is to attract at least 1500 participants.

A – assignable

The project manager who is going to be assigned from the SPs employees will be the main organiser of the event, hence he or she will be responsible for the whole project.

R – realistic

The project manager should put an emphasis on the marketing of the entire project since this element is essential to attract the number of participants stated. Moreover, the demand for the event is expected to be high because of the involvement of highly educated trainers who will train the participants in the workshops. Last but not least, excitement to attend the event is supported by its originality.

T – time-related

The project is planned as a one-day event and will be implemented on the second Saturday of September 2019.

Furthermore, the sustainability of this event on the various markets during the whole year should be the building stone of the event's vision. Organizing a similar event on a regular basis in different countries is a difficult task, therefore SP might consider hiring a project manager who could facilitate this whole process. Besides, meeting the goals of the project

might have a great impact on SP such as increasing engagement with customers, increasing the brand awareness, building the brand loyalty and enabling potential customers to test new products should result in increased revenue.

3.2.3. Project team

Because the difference between successful and unsuccessful performance might often be connected to the effectiveness of the project team, it is crucial to create the team, which will efficiently collaborate. Given the size of the project, the author suggests creating a project team as follows.

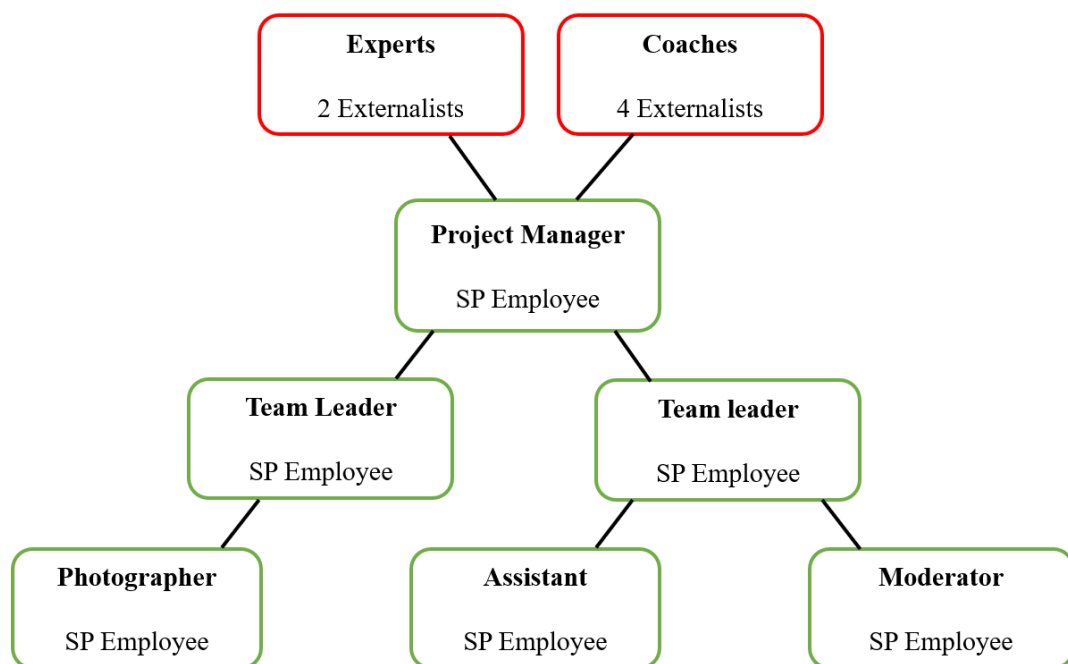


Figure 10 SP's project team (Own source)

3.2.4. Required outputs

After setting up a definite objective of the project, the author establishes specific outputs, which need to be managed in order to accomplish the main aim of the project. The outputs concerning the SP's event are as follows:

1. Project management
2. Marketing
3. Logistic
4. Project realisation and Project close out
5. Project program

3.2.5. Hierarchical decomposition of project goals

When the project objective is defined, the project goal is decomposed into a sequence of individual steps, which need to be followed to achieve the project aim. Additionally, these specific steps further include individual project activities and provide a basic outline of how the objective of the project is going to be achieved.

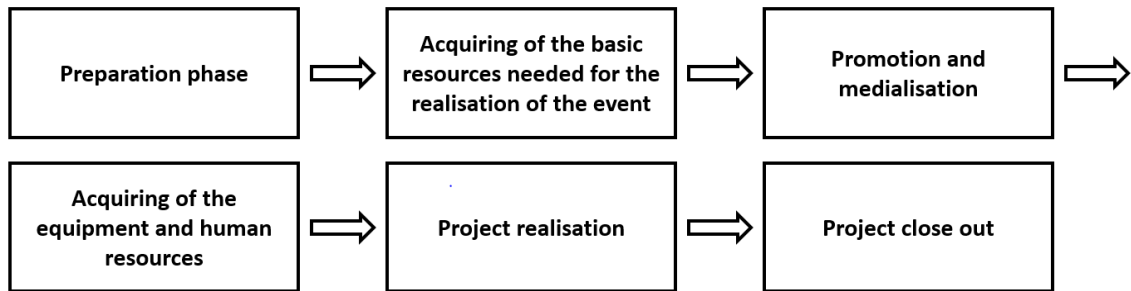


Figure 11 Hierarchical decomposition of SP's project goals (Own source)

3.2.6. Logical Framework Matrix

The project outputs are further used to create the Logical Framework matrix, which is presented below:

Table 6 **Logical Framework Matrix** (Own source)

Logic of intervention	Description	Objectively Verifiable indicators	Sources of Verification	
Overall objective	Establishment of a new channel with the objective of engaging SP's community, increasing the brand awareness, building brand loyalty and sales growth in the long run.	Monthly Organisation of the event on all SP's markets.	Statistics, Reports, Questionnaires	Assumptions
Objective	Organization of an SP's event in Bratislava	15000 participants, second Saturday in September 2019, Bratislava	Number of bracelets at the entrance, Event schedule, Feedback	SP's desire to create such an event, Feedback, Project is undertaken
Outputs	1 Project management	1.1 Well cooperating team 1.2 Compliance of the project with the project plan 1.3 Satiated stakeholders	Communication Regular checkpoints Reporting Feedback, Interview	Well established communication flows within the project team and stakeholders, Performance evaluation Usage of reporting tools
Outputs	2 Marketing	Media plan for online and offline marketing is created until 1.7. 2019	Media plan, Reporting	Well establish communication flow within the project team, documented feedback,
Outputs	3 Logistic	3.1 Book the venue of the event until 1.7. 2019 3.2 Design the orientation signs and plan the layout of the venue until 1.9. 2019 3.3 All technical matters are prepared until 13.9. 2019 3.4 Prepare transport of sports equipment until 13.9. 2019 3 Agreement with SP's employees, hosts and coaches on work until 1.9. 2019 3.6 Agree with external providers of food and beverage until 1.9. 2019	Contract, Project documentation, Physical signs, maps, plans, Project documentation, Checklists, Contracts,	Careful management of project documentation, signed contracts, agreement with external coaches and hosts

Outputs	4 Project realisations and Close out	<p>4.1 Venue prepared at least 2 hours before event realisation</p> <p>4.2 All the tasks are identified and assigned to the individuals</p> <p>4.3 All the hosts and coaches are ready at a predetermined location at least 30 minutes before the start of the event</p> <p>4.4 Permitted deviation from the original schedule maximally 10 minutes</p> <p>4.5 Posts on social media during the whole event.</p> <p>4.6 The venue is in its original state and is handed over.</p> <p>4.7 Team encounter and feedback, lessons learned</p>	Project documentation, Checklists, Comparison of the schedule with the actual situation, Monitoring of social media, Completion protocol, Report	Signed contracts with the venue, hosts and coaches, project team agreement on Schedule, assignment of responsibilities, project manager is the supervisor of the whole event and is actual present at the event.
Outputs	5 Project program	<p>5.1 Signed contracts with the venue management until 1.7. 2019 and coaches until 1.8. 2019</p> <p>5.2 Agreement on the presented products within the project team and SP until 1.9. 2019</p> <p>5.3 Accompanying program hosts are chosen until 15.8. 2019</p> <p>5.4 The event schedule is ready until 1.9. 2019</p>	Signed Contracts, Project documentation Project schedule	Signed Contracts, Expert coaches and hosts with appealing workshops
Key activities	Can be found in WBS			
				Pre-conditions
				Project is approved by the SP's CEO

3.3. Planning phase

Several project management tools and methods are implemented during the planning phase of SP's event. Firstly, it is essential to identify all working packages which need to be undertaken. Furthermore, the RACI matrix needs to be also created to assign responsibilities to individual project team members. By the same token, Gantt chart, RIPRAN method and budget estimation are performed in this subchapter to facilitate the process of achieving the project objective.

3.3.1. Work breakdown structure

As it was previously discussed in the theoretical part, it is crucial to break down the structure efficiently to make the WBS maximally beneficial for SP, thus facilitate the whole process of managing the project. Therefore, the required outputs, which have been already identified are further broken down to working packages. After the list of the working packages is created, it is possible to assign them time, costs, risks and responsibilities. Besides, the WBS might provide SP with the guideline for a similar project in the future on various markets, thus it might help to standardise the management of such events. The author suggests to breakdown the project as it is demonstrated in Figure 12.

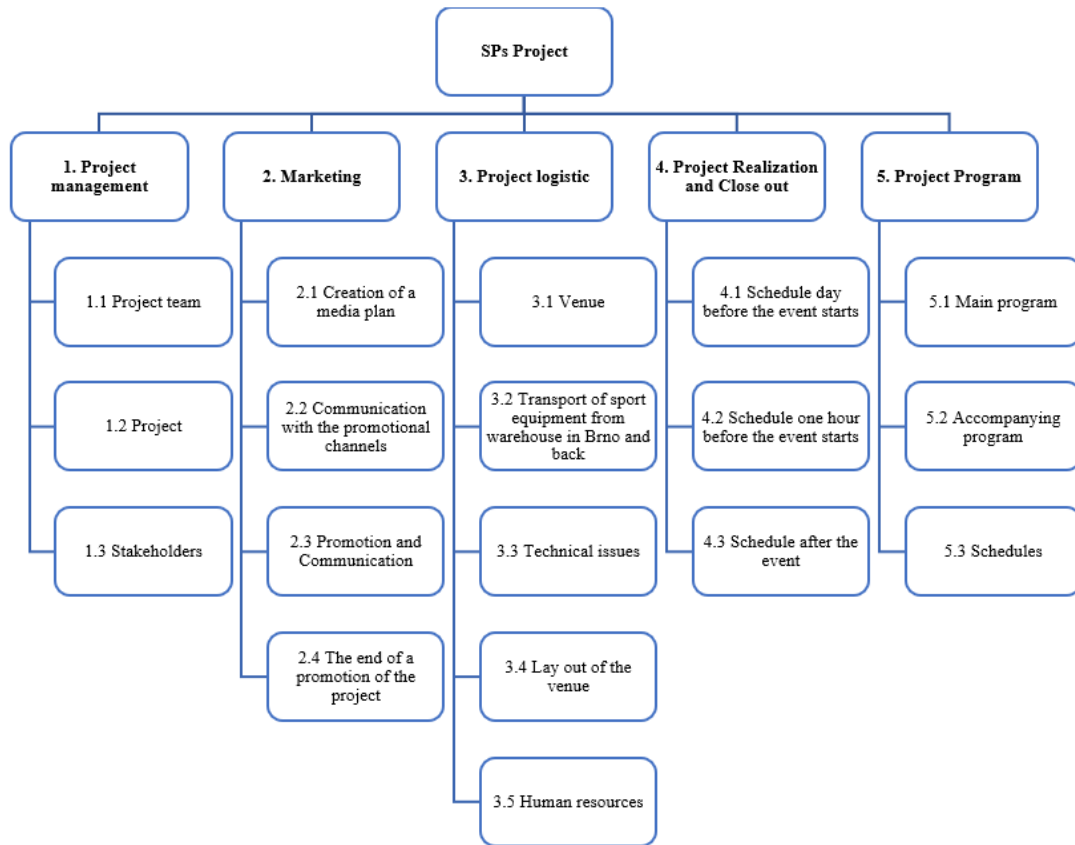


Figure 12 WBS (Own source)

The WBS is further decomposed into smaller working packages, which are presented below.

1 Project management

1.1 Project team

- 1.1.1 Create a project team from SP's employees
- 1.1.2 Assign a project manager from SP's employees
- 1.1.3 Communication guideline
- 1.1.4 Rules within the team
- 1.1.5 Assign responsibilities to individual team members
- 1.1.6 Building the same values

1.2 Project

- 1.2.1 Sustainability
- 1.2.2 Promotion activities
- 1.2.3 Monitoring of deadlines
- 1.2.4 Plan
- 1.2.5 Milestones
- 1.2.6 Reporting
- 1.2.7 Budget
 - 1.2.7.1 Creating a budget
 - 1.2.7.2 Monitoring the budget

- 1.2.8 Project evaluation
- 1.2.9 Creation of the guideline for the next events

1.3 Stakeholders

- 1.3.1 Venue management
- 1.3.2 Legislation in Slovakia
- 1.3.3 Brands which are being sold and presented by SP at the event
- 1.3.4 External food and beverage providers
- 1.3.5 Public
- 1.3.6 Individual contracts
- 1.3.7 Project team

2 Marketing

2.1 Creation of a media plan

- 2.1.1 Facebook
- 2.1.2 Instagram
- 2.1.3 YouTube
- 2.1.4 Radio
- 2.1.5 Direct mailing
- 2.1.6 Posters
- 2.1.7 SP's website

2.2 Communication with the promotional channels

- 2.2.1 Send a Press Release
- 2.2.2 Approach the Radio

2.3 Promotion and Communication

- 2.3.1 Facebook communication
- 2.3.2 Instagram communication
- 2.3.3 YouTube communication
- 2.3.4 Revealing the names of the experts participating in the event
- 2.3.5 Mail distribution
- 2.3.6 Poster distribution

2.4 The end of promotion of the project

- 2.4.1 Write a final report
- 2.4.2 Present the result to SP's management

3 Project logistic

3.1 Venue

- 3.1.1 Availability of public transport
- 3.1.2 Availability of parking spaces
- 3.1.3 Orientation signs
- 3.1.4 Book the venue
- 3.1.5 Commercial banners
- 3.1.6 SP's colours decoration of the venue

3.2 Transport of sports equipment from a warehouse in Brno and back

- 3.2.1 Available drivers
- 3.2.2 Available vans
- 3.2.3 Preparation of sport equipment
- 3.2.4 Transport schedule

3.3 Technical issues

- 3.3.1 Sound

- 3.3.2 Electricity
- 3.3.3 Wi-Fi for the organising team
- 3.3.4 Terminal for contactless payments

3.4 Lay out of the venue

- 3.4.1 Individual sport courts
- 3.4.2 Stalls with Sports Equipment Testing
- 3.4.3 Food and beverage stalls from external providers
- 3.4.4 Chill out area
- 3.4.5 Children's corner
- 3.4.6 Photo shooting section

3.5 Human resources

- 3.5.1 Moderator from the SP
- 3.5.2 SP's Photographer
- 3.5.3 Internal technical support
- 3.5.4 External technical support
- 3.5.5 External food and beverage providers

4 Project Realization and Close out

4.1 Schedule day before the event starts

- 4.1.1 Contracts with the venue, coaches and other hosts are signed
- 4.1.2 All tasks are assigned
- 4.1.3 Vans and SP employees are ready
- 4.1.4 Valuable prizes are ready
- 4.1.5 Products for testing are ready
- 4.1.6 Venue lay out is ready
- 4.1.7 Team meeting in Brno

4.2 Schedule one hour before the event starts

- 4.2.1 Handing out bracelets at the entrance is ready
- 4.2.2 Venue is prepared according to the lay out
- 4.2.3 Coaches are at their assigned places
- 4.2.4 Hosts are at their assigned places
- 4.2.5 Products for testing and valuable prizes are ready at assigned places
- 4.2.6 External providers of foods and beverages are ready at their places
- 4.2.7 Project team and Moderator is ready
- 4.2.8 Chill out area and children's corner are ready
- 4.2.9 Photo shooting section is ready

4.3 Schedule after the event

- 4.3.1 Cleaning up the venue
- 4.3.2 Posting the pictures on social media
- 4.3.3 Sharing the pictures from the participants
- 4.3.4 Article on SP's website
- 4.3.5 Feedback analysis
- 4.3.6 Evaluation of the event
- 4.3.7 Lesson learned

5 Project Program

5.1 Main program

- 5.1.1 Opening speech
- 5.1.2 Exhibitions game of different sports

- 5.1.3 New product demonstration
- 5.1.4 Workshops with various experts
- 5.1.5 Training under the supervision of coaches
- 5.1.6 New product testing
- 5.1.7 Competition with the opportunity to win valuable prizes
- 5.2 Accompanying program**
- 5.2.1 Healthy food and beverage stalls from external providers
- 5.2.2 Chill out area
- 5.2.3 Photo shooting section
- 5.2.4 Children's corner
- 5.3 Schedules**
- 5.3.1 Internal schedules for SP's employees
- 5.3.2 Schedules for participants
- 5.3.3 Schedule for moderator
- 5.3.4 Schedule for external food and beverage providers

3.3.2. RACI matrix

The RACI matrix is used to define the responsibilities of the project team members for specific project results. The acronyms represent each level of potential responsibility as follows (Horine 2013):

- R—Responsible
- A—Accountable
- C—Consulted
- I—Informed

- R—Responsible
- A—Approve
- S—Support
- I—Informed
- C—Consulted

In other words, the RACI matrix shows the interconnection of WBS with the organisational structure and individual types of relationships within the project. As project work progresses, the matrix should be refined and redefined if needed, so it best meets the needs of the project manager. The RACI matrix for the SP event is presented below.

Table 7 RACI matrix (own source)

Number	Activity	Project Manager	Team leader 1	Team leader 2	Assistants	Photographer	Moderator	Experts	Coaches
1	Decision whether the event is going to be undertake	R	A	A	I	I	I		
2	Creation of a project team	R	C	C	I	I	I	I	I
3	Creation of a communication guideline	R	A	R	I	I	I	I	I
4	Assignment of responsibilities to individual team members	R	A	A	C	I	I	I	I
5	Creation of a budget	R	A	A					
6	Date selection	A	A	R	I	I	I	I	I
7	Venue selection	A	A	R	I	I	I	I	I
8	Choosing and signing of coaches and experts	R	A	A	I	I	I	I	I
9	Venue booking	A	A	R	I	I	I	I	I
10	Monitoring the budget	R	A	A	I	I	I		
11	Communication with stakeholders	A	R	A	C	I	I	I	I
12	Creation of schedules	R	A	A	C	C	C	I	I
13	Creation of an event program	A	C	R	I	I	I	C	C
14	Promotion activities	A	R	C	I	I	I		
15	Monitoring of deadlines	A	R	R					
16	Contact the external food and beverage providers	A	C	R					
17	Transport of the equipment from Brno to event and back	A		A	R				
18	Transport of the valuable prizes	A		A	R				
19	All contracts are signed	R	A	A					
20	Lay out of the venue	A	C	A	R	C	C	C	C
21	Securing technical things	A		A	R	I	I		
22	Children's corner	C		A	R	I	I		
23	Photo shooting	A	C	A	I	R	I	I	I
24	Preparation of the venue	A	C	R	C	C	C	C	C
25	Organization during the event	R	A	A	C	C	C	C	C
26	Individual sections are prepared for the participants	A	C	R	C	C	C	C	C
27	Opening speech	A	A	C	I	I	R		
28	Exhibition game of different sports	A	I	C	I	C	C	I	R
29	New product demonstration	A	A	C	I	C	C	I	R
30	Workshops	A	I	C	I	C	I	R	I
31	Training for the participants	A	C	C		I	I		R
32	New products testing	A	C	C		I	I	C	R
33	Competition for valuable prizes - ending of the event	A	C	I	I	I	R		
34	Cleaning up the venue	A	I	I	R	I	I		
35	Posting and sharing pictures on social media	A	R	I		C			
36	Paying invoices to the coaches and experts	R	A	A				I	I
37	Article on SP's website	A	R	I					
38	Feedback analysis	R	C	C	I	I	I	I	I
39	Evaluation of the event	R	A	A	C	C	C	C	C
40	Creation of guidelines for next events	R	A	A	C	C	C	C	C

3.3.3. Time planning

Milestones

The author presents the suggestion of significant milestones, which might serve to the company as a tool for monitoring individual tasks and checking the deadlines.

Table 8 **Project Milestones** (own source)

Milestones		Responsibility
Selected date and booked the location of the event	01.07.19	Project manager
Signed contracts with coaches and experts	01.08.19	Project manager
Agreed program	01.09.19	Team leader 2
All technical matters are prepared before	13.09.19	Assistant

Furthermore, the Gantt chart is used to illustrate how individual activities are undertaken during the project. Individual working packages which need to be performed are ordered in rows, and the timeline is provided on a horizontal line. However, Gantt chart is a widely used tool due to its simplicity, the method has some limitation, for example, the disability to clearly show all the complex interdependencies which are formed between the different working packages. The Gantt chart for the SP's project is shown in Table 9.

Table 9 Gantt chart of the project (own source)

Description of activity	July			Aug			Sep		
	1	15	31	1	15	31	1	14	25
Decision whether the event is going to be undertake	■								
Creation of a project team	■	■							
Creation of a communication guideline		■							
Assignment of responsibilities to individual team members	■	■							
Creation of a budget	■	■							
Date selection	■								
Venue selection	■								
Choosing and signing of coaches and experts			■	■	■				
Venue booking	■								
Monitoring the budget					■	■			
Communication with stakeholders						■			
Creation of schedules						■	■		
Creation of an event program							■		
Promotion activities start	■								
Monitoring of deadlines						■	■	■	■
Contact the external food and beverage providers						■	■		
Transport of the equipment from Brno to event and back							■	■	
Transport of the valuable prizes							■	■	
All contracts are signed							■	■	
Lay out of the venue							■	■	
Securing technical things							■	■	
Children's corner							■	■	
Photo shooting							■	■	
Preparation of the venue							■	■	
Organization during the event							■	■	
Individual sections are prepared for the participants							■	■	
Opening speech							■	■	
Exhibition game of different sports							■	■	
New product demonstration							■	■	
Workshops							■	■	
Training for the participants							■	■	
New products testing							■	■	
Competition for valuable prizes - ending of the event							■	■	
Cleaning up the venue							■	■	
Posting and sharing pictures on social media							■	■	■
Paying invoices to the coaches and experts								■	■
Article on SP's website							■	■	■
Feedback analysis							■	■	■
Evaluation of the event								■	■
Creation of guidelines for next events									■

3.3.4. Risk analysis

The RIPRAN method is used to assess the potential risks of a project. The theoretical application of this method is described in the theoretical part of the thesis. After classifying possible risks, the author suggests implementing practical solutions in order to shrink the possible risks as it is demonstrated in Table 14.

Table 10 **Project risk analysis** (own source)

Risk	P	I	RV	Solutions	NRV
Competitive event at the same date	M	H	H	Strong and timely promotion	L
Lack of funding from the company	L	H	M	Thorough analysis of potential benefits, impressive presentation at SP's meetings	L
Not finding suitable coaches and experts	M	M	M	Thorough analysis of potential candidates, timely negotiation with a competitive offer	L
Technical issues with electricity, lighting or sound	L	M	M	Checking everything ahead, reserves, direct communication with a venue provider	M
Difficulties with booking the venue of the event	L	M	M	Preliminary analysis, timely booking of dates	L
Low interest from external food and beverage providers	L	M	M	Finding and reaching out to more potential food and beverage providers	L
Higher costs than initially expected	L	M	M	Detailed and timely identification of costs, creation of financial reserves	L
Time delay in event schedule	L	L	L		
The floor in the venue is not suitable for exhibited sports	L	M	M	Thorough personal inspection of the venue Badly created lay out within the venue before booking the venue.	L
Badly created layout of the stalls and sport courts within the venue	L	H	M	Consultation with project managers who have experience in organizing similar events	M
Risk of injury of participants	M	L	M	Ensuring a safe distance between individual sports courts, do a research on the nearest medical centre	M
The sport equipment is damaged during transport	M	M	M	Proper labelling of fragile objects, good packaging	L
Insufficient coordination of project team	M	M	M	Efficient communication, meetings during the event, WhatsApp group communication, Consultation with project managers who have experience in organizing similar events	L
Low interest of participants	L	M	M	Strong promotion, excellent coaches and experts, original program of the event	L
Extreme interest in the event	L	M	M	A limited number of bracelets at the entrants, Preliminary analysis of the number of participants a social network	M
Contracts with externalists are not signed on time	L	M	M	Communication with legal department of SP, Reporting during the planning phase	L
Insufficient schedule	L	M	M	Consultation with project managers who have experience in organizing similar events	L
Unexpected costs	M	H	H	Create a financial reserve	M
Little information to create a guideline for related events	M	H	H	Efficient communication, report, feedback	L
The photos are not presented on social media	L	H	H	Checklist, communication with Team leader 1	M
The venue is damaged after the event	L	H	M	Well prepared contract with the venue, controlling,	L

The first column of Table 10 refers to the possible risks within the project. The second column addresses the probability of the risk, which can be low (L), medium (M) or high (H). Additionally, the third column describes the level of impact of particular risk, which can be again low, medium or high. The fourth column is the risk value of the two previously mentioned and can be low, medium or high. The fifth column provides a possible solution, which should reduce the current risk value. Last column that illustrates the new risk value after the proper measures has been implemented. The solutions are proposed only when the value of the risk is evaluated as medium or high.

3.3.5. Budget planning

Given the nature of the event, it is apparent that the potential revenue of this project cannot be easily quantified because the proposed event does not have the standard income from the event, which would be in most cases revenue from the sale of the tickets. However, the proposed event for SP is designed differently, since the event is free of charge for all participants, because the author believes, that the potential benefit from attracting many participants might be more valuable for the company. These benefits are further individually elaborated in next chapters and include increasing engagement with customers, building the brand loyalty, growing the brand awareness, offering a possibility to potential customers to test the sports equipment in person.

After the recognition of the potential benefits of the project, the cost estimation is performed in the table below. The organised event has no predecessors; hence, it is important to consider potentially higher unexpected costs in the form of reserves. Furthermore, because there is no previous data which would estimate the exact amount of money needed, it is important to create the financial forecast with the slightly higher overall budget.

Moreover, as it was discussed in the first chapter, it is important to take into account the possible inaccuracy in initial prediction, which can be out by a factor of 200-300%. The precision of estimation will improve during the project (Barker and Cole 2014). The estimation of the budget is demonstrated below.

Table 11 **Budget planning** (Own source)

Estimated costs	€
Venue	576
Marketing	2000
Coaches	320
Experts	160
Logistics	150
Food and beverages for the project team	360
Reserves	600
Bonuses to SP's employees	300
Total	4466

3.4. Realisation and Completion

If the newly established team follows the created proposal in previous chapters, the event realisation can start without further due. However, it is essential to bear in mind, that complications might occur throughout the realisation of the project, hence the project manager should also be a leader during the event and he or she should put emphasis on efficient communication within the team, sticking to the schedule and controlling whether everything is in line with the plan. Although responsibilities were assigned to individual team members and possible risks identified and managed an unexpected occurrence may still arise, thus if significant deviations from the actual plan are recognised, the project manager has budget reserves that can be used in the case of this scenario.

Furthermore, as it was already mentioned in the theoretical part, the company might want to cut or completely skip the post-project phase due to various reasons. However, after the project is closed out, in other words, when acceptance protocols are signed, the invoices are sent to external parties, the final project report is created, and the project is evaluated by SP's project team which is then dissolved, it is crucial to undertake the post-project phase. As a result, SP can gain a lot of new knowledge and experience during this post-project phase. This newly acquired knowledge might protect the company from

repeating the same mistakes when undertaking similar projects in the future. Moreover, the nature of a proposed event allows the stakeholders to see the benefits of the project, which are further discussed below only after some time, hence in such cases, it is vital to plan the evaluation date in advance.

3.5. Benefits of the proposal and recommendations

Firstly, the proposed project to organise the event itself may provide the company with many benefits such as increased engagement with customers, building the brand loyalty, increasing the brand awareness, offering an experience of being able to test the sports equipment in person to customers. By the same token, all the mentioned benefits, which are further elaborated below, should also result in increased revenue.

As the findings from PESTEL analysis showed, SP could develop its portfolio of operation by enjoying the growing trend of clothes and sports market category and expanding into another successful segment which is organisations of events. Besides SP does not have brick and mortar shops in Slovakia nor in Austria and Germany, thus it can be concluded, that SP lacks the possibility of personal connection with the customers.

Therefore, the author proposes to perceive this lack of personal connection as an opportunity for SP, which needs to be further exploited by the organisation of events. These events may become a catalyst for connecting the online and offline environment of SP and bringing the customers closer to the company. Furthermore, a possible synergy such as the growth of brand awareness and building of brand loyalty could occur. This statement is supported by Silvio von Krüchten, who argues in the European E-commerce Report (2018), that from a customer perspective retail experience and online retail need to be connected. Also, building this deeper relationship with the customers might transform the SP's customers from occasional buyers towards the customers who will purchase goods repeatedly, which is another great benefit.

Additionally, to optimise the business processes, which might arise from the management of the proposed event, it is further recommended to SP to consider the implementation of own project management software because as it was found out, SP actively seeks opportunities for developing its own systems which are allowing to the company to be more efficient. Also, SP should consider either hiring a new employee as a project manager or to create a new position of project manager for an employee who is already

working for SP. The project manager would be responsible not only for the proposed project but also for other similar projects that would follow in the near future.

Besides, the presented project methods and tools, which were used during the event planning might facilitate the process of event management of SP because as it was pointed out in the analytical part of this thesis, SP does not use any project management methods in the event planning. Therefore, the proposed project might serve as a basic guideline for similar events in the future.

However, it is important to consider many factors when applying the proposed project to another country. It is obvious, that for example it is logistically and costs wise easier to dispatch testing products from Brno and other equipment to Slovakia than to Germany. Thus, when organising a similar event in Germany or Austria, it is essential to adjust costs based on this and many other factors.

Last, the organization of such an event, which focuses on interacting and educating of its customers is the way of making a positive social imprint. Participants are being encouraged to live an active and healthy life, which are also some of the most important values of SP's culture.

Conclusion

The aim of the present thesis was to critically analyse the current situation in SportObchod.cz s.r.o. and apply project management theoretical knowledge, tools and methods in order to propose an event which will facilitate the process of building and engaging its community of customer in Slovakia and will serve as a guideline for the other similar projects.

In order to achieve the main objective of this thesis, the author conducted a literature review of project management, presenting the theoretical background and examining project management tools and methods. Consequently, the results of macroenvironmental and microenvironmental analyses were presented, concluded and further employed to create a proposal for an organisation of an event. Furthermore, the particular event was proposed using project management methods such as the SMART definition of project objectives, Logical Framework Matrix, Work Breakdown Structure, RACI Matrix, RIPRAN and Gantt Chart.

Additionally, the main objectives and contributions of event organisation were discussed, and the particular benefits and recommendations were highlighted. To begin, the proposed project itself might serve as a guideline for future similar projects, because, as it was pointed out in the analytical part of the thesis, SP does not currently employ any project management methods. Also, it was found out that SP could expand the portfolio of operation by expanding into other successful segments, namely the event organisation. Besides, SP does not have brick and mortar shops in Slovakia, therefore the author proposes to perceive this lack of personal connection as an opportunity which needs to be further exploited by the event organisation. Furthermore, the events organised by SP may become a catalyst for connecting the online and offline environment of SP and bring the customers closer to the company. Moreover, further synergies such as the growth of brand awareness and building of brand loyalty can occur. Subsequently, building a deeper relationship with customers might transform the customers from occasional to regular.

Also, to optimise the business processes within the company, which might arise from the management of the proposed event, it is further recommended to consider implementing of a project management software and hiring a new employee as a project manager or to create a project management position for a current employee of the company. This could

facilitate the whole project management processes of the company and boost the company efficiency.

Lastly, all the above-mentioned benefits lead to increased brand awareness, brand loyalty and engagement with the customers. By the same token, education and interaction with the customers leave a positive social imprint and encourage the participants of the event to lead an active and healthy lifestyle, which is the main value of the company's culture.

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List of Tables, Figures and Appendices

Appendix 1 PESTEL Analysis in Germany and Austria

Political factors

Austria

Austria is a democratic republic, which is divided into nine federal states. Because the SP is operating in the private sector area, political stability which guarantees the security in the SP's activities might play an important role (Export.gov 2019). Overall political situation in Austria is not completely stable considering the fact, that only 43% of the Austrian's population trust to public institutions and the national government (Oecd.org 2019). On the other hand, on the scale from 0 (very corrupt country) to 100 (non-corrupt environment) Austria received the score in of 76 in 2018 and ranked among the best 14 countries in the world, which means there is a decent level of perception of corruption in Austria (E.V. 2019).

Germany

Germany is a democratic federal parliamentary republic divided into 16 states or provinces (En.portal.santandertrade.com 2019). Furthermore, Germany scored 80 points and is ranked on the 11th place among all countries in the Corruption Perceptions Index (CPI) in 2018. Thus, Germans do not see a serious issue with the perception of corruption in their country (E.V. 2019).

Economic factors

Austria

The rate of inflation in Austria has been steady in recent years, additionally the recorded annual average rate of change in 2018 was 2.1% (Ec.europa.eu 2019). The unemployment rate in Austria fluctuated around 5% in the last ten years and the unemployment rate was 5.5% in 2017 (TheGlobalEconomy.com 2019). The last gross domestic product per capita was 37 200 EUR in 2017 which is more than twice as much in comparison with Slovakia (Ec.europa.eu 2019). The interest rate in Austria was 0,45%, which might indicate that potential buyers might borrow financial asset with a lower interest, hence they might end up paying less for a sport event, service or a SP's product than in recent years.

(Ycharts.com 2019). Average gross salary in Austria amounts to 3632 EUR per month in 2018 and the average net salary was 2 324 EUR, which puts Austria on the sixth overall place among all European countries (Reinis Fischer 2019). Standard rate of value-added tax which is applicable to SP is 20% in Austria and the reduced rate, which is not applicable to goods nor services which are provided by SP is 13% and 10% (European Commission 2018).

Germany

Germany's inflation rate in 2018 was 1.9%. However, this is the highest inflation rate in the last five years, the overall price level in Germany is stable (Ec.europa.eu 2019). Unemployment rate oscillated between 3-5% between the years 2015-2017. Furthermore, the unemployment rate in Germany approached all times lows with 3,75% in 2017 (TheGlobalEconomy.com 2019). The GDP per capita increased steadily over the last years and it was recorded at 35 500 EUR in 2017 (Ec.europa.eu 2019). The interest rate in Germany was recorded at 0.13%, which indicate, that potential buyers might borrow their money cheaper than in Austria or Slovakia (Ycharts.com 2019). Average gross salary in Germany amounts to 3 703 EUR per month, and average net salary is 2 270 EUR per month (Reinis Fischer 2019). The standard rate of value-added tax applied for SP is 19%, and the reduced rate is 7% (European Commission 2018).

The summary of economic factors analysed above are summarized below.

Table 12 **Inflation rate** (Ec.europa.eu 2019)

Country/year	2010	2011	2012	2013	2014	2015	2016	2017	2018
Austria	1.7	3.6	2.6	2.1	1.5	0.8	1.0	2.2	2.1
Germany	1.1	2.5	2.1	1.6	0.8	0.1	0.4	1.7	1.9
Slovakia	0.7	4.1	3.7	1.5	-0.1	-0.3	-0.5	1.4	2.5

Table 13 **Unemployment rate** (TheGlobalEconomy.com 2019)

Country/year	2009	2010	2011	2012	2013	2014	2015	2016	2017
Austria	5.3	4.82	4.56	4.87	5.33	5.62	5.72	6.01	5.5
Germany	7.74	6.97	5.82	5.38	5.23	4.98	4.62	4.12	3.75
Slovakia	12.03	14.38	13.62	13.96	14.22	13.18	11.48	9.67	8.13

Table 14 **GDP per capita in EUR** (Ec.europa.eu 2019)

Country/year	2009	2010	2011	2012	2013	2014	2015	2016	2017
Austria	34,800	35,400	36,300	36,400	36,200	36,100	36,200	36,500	37,200
Germany	30,800	32,100	33,300	33,400	33,500	34,100	34,400	34,900	35,500
Slovakia	11,900	12,400	12,900	13,100	13,200	13,600	14,200	14,600	15,000

Table 15 **VAT in SP's international markets in %** (European Commission 2018)

	Standard rate	Reduced rate
Austria	20	10/13
Germany	19	7
Slovakia	20	10

Social factors

Austria

Overall online shoppers share is only 47% in Austria which is a relatively low number compared for example with Switzerland or Netherlands, where there is the highest share of online shoppers with 82%. Therefore, people will be more likely using a traditional form of purchasing goods and services such as brick and mortar shops. On the contrary e-commerce sales still grew by 9% in 2017. Besides, the share of cross-border purchases which is amounted to 53% in Austria is an excellent indicator of how the potential customers are open to purchasing goods from different country. Moreover, due to the reason, that SP sends all goods from the warehouse in the Czech Republic this indication that Austrians prefer foreign e-commerce businesses might play an important role for SP in the future development (Ecommerce Europe 2018).

Population in Austria is amounted to 8.73 million inhabitants in 2017 and the last measured life expectancy rate rose in 2016 in comparison with previous years. Additionally, Austria is also one of the European countries affected by the migration crisis in Europe. The data also confirm this claim because the net migration gain was more than 150 000 people between the years 2015 and 2016. Austria is also experiencing the trend of an ageing population which can be demonstrated by the projected grew of the size of the elderly population (aged 65 and over) from 18.6% in 2017 to 28.1% by 2060. Moreover, the average age of the Austrian's is predicted to increase from 42.5 in 2017 to 47 years by 2060 (Austria 2019). The SP should not forget to incorporate this trend into

its strategy, because if the SP's community is highly engaged it might significantly strengthen and increase its customer base in the future. The online shopping penetration rate in Austria increased steadily during the last ten years, which might indicate a change in behaviour of the current population in Austria towards online shopping (Statista.com 2019).

Austrian culture and habits might also have an impact on SP's goal of engaging the community. According to Hofstede model, Austria is very low power distance country which indicate, that people are independent, and hierarchy is not significantly important in this country. Moreover, managers have a decentralised power, and they are communicating with direct and participative communication techniques. As a result, SP should take this trend of open communication into account and use this information when planning an event. Austria is a masculine oriented society with highly success-oriented people who put their focus on competing with others. On the other hand, Austrians might tend to be afraid of innovation and a lack of security because of the high uncertainty avoidance score. This fear of innovation should be also considered by SP because potential customers may not want to start using a new method of purchasing goods and services online, hence it might be harder to approach this segment. Austrian's indulgence score is high, which demonstrates a willingness to realise impulses and desires. Therefore, it can be concluded, that leisure time is particularly important in Austria, and individuals might be willing to spend their money for a participation in sporting events (Hofstede Insights 2019).

Germany

The 77 % share of online shoppers in Germany is showing a great popularity of this shopping method. Additionally, E-commerce sales rose by 9%. Besides, cross-border e-purchases in Germany accounts to 25%, indicating the preference of the local e-commerce businesses. However, cross-border purchase grew by 5% in 2017 which might display a gradual shift towards foreign e-commerce businesses which is for example SP. The population in Germany was 82.1 million in 2017. Furthermore, the Germans population is one of the oldest in Europe (Ecommerce Europe 2018). Moreover, it is forecasted, that the ageing population together with the low fertility rate might cause a decline of the German population by over 10 million until 2100 (World Economic Forum 2019).

The Hofstede model is used to examine the culture and habits which might have an impact on SP in the future. Germans are a direct country and the self-actualisation is very important for them. The disadvantage of this direct approach might be a lack of politeness when debating serious topic. Besides, Germans are driven by competition they are highly performance oriented. Additionally, they do not mind showing their status for example by buying luxury goods. Therefore, this orientation towards status might be exploited by SP for example by offering a choice of basic and VIP tickets for the events. Germans also highly appreciate expertise thus the expertise of individuals who host the event should be emphasized to attract the attention of the locals. On the other hand, the leisure time is not decisive for Germans hence, they might not be willing to spend money on extra activities such as buying of sport equipment (Hofstede Insights 2019). Moreover, potential buyers prefer familiarity, hence there are more likely to purchase an event ticket from a well-recognised local event company instead of an international e-commerce business. Therefore, the SP should localise the event management in order gain trust and familiarity (Ecommerce Europe 2018).

Environmental factors

Austria

Although environmental factors do not play a crucial role for e-commerce business such as SP, it is appropriate to characterize differences in the perception of these factors across countries where the SP operates. Firstly, population in Austria is highly environmental oriented which means that Austrians have a high expertise in the field of development of successful good practices in eco-innovation and circular economy. A good illustration of such a good practice is for example the Buy Aware initiative. Additionally, Austria also put emphasis on environmental factors when they have projects for integration of natural ecosystems and services into spatial planning. Besides, Austria is third in European ranking, which concerns waste management (Ec.europa.eu 2017). It is obvious from the above mentioned, that Austrians are aware of the environmental factors and they play an important role for them. Therefore, SP might link the ‘green initiative’ with the possible projects which will take place in Austria.

Germany

The environmental expertise of Germany is a high recycling rate of municipal waste. Furthermore, Germany has a brilliant approach to green infrastructure with national Green Infrastructure concept. Besides, Germany also started a programme to spread awareness about resource efficiency (Ec.europa.eu 2017). Hence, SP might benefit from promoting the business or a project with a focus on recycling and resource efficiency. Another example which may be exploited by SP would be delivering goods in recyclable packaging to German buyers to present itself as a company, which has the same values as its customers.

Appendix 2 Porter Analysis in Germany and Austria

Competitive rivalry or competition – moderate force

Germany

The biggest competitors for SP in Germany along with Decathlon are e-commerce businesses amazon.de, adidas.de, and fahrrad.de. All three e-commerce businesses reach a market share of 21%. Nevertheless, as it was already discussed above the different product range and different brands which are being offered by SP cause, that these businesses are not perceived as a direct competition for SP. Additionally, SP is a small player on the market in comparison with other German companies (Statista 2019).

Austria

The biggest competitors for SP are amazon.de, hervis.at and bikester.at in Austria. Moreover, these three companies have the highest net sales in the field of a sport and outdoor market e-commerce business. SP is a significantly smaller company on the Austrian market compared to the above listed companies (Statista 2019).

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