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Fyre Festival

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Fyre Festival

Fyre Festival was a well known fraudulent music event organized by Billy McFarland and Ja Rule to advertise the firm's Fyre App. The event happened in 2017, whereby about 5000 people spent thousands buying tickets for the event. It was a grand event to occur in one of the private islands in the Bahamas. In hying the event, people were promised to experience tropical sunshine during the day and massive celebrations at night. The attendants would have a fantastic island experience, accommodations, the right foods, and have an opportunity to party together with celebrities for instance, Ja Rule, Kendall Jenner as well as Hadid.

However, the promises were not delivered, as the goers found the place disorganized without the things communicated during the promotion. In the following paragraphs, the cause of the disaster is explained and measures that should have been taken during the planning process.

McFarland and Atkins preferred to host the Bahamas event to attract many people, thus selling the App. In 2016, McFarland approached several investors, asking them to back up the event and the application. However, misleading information was communicated to persuade investors. For example, they were told that a lot of money was in place for the event and the Fyre Media Company was worth \$90 million. He also informed them that Magnises would be traded at \$40 million, but it was a lie (Huddleston, 2019). Apart from that, they were told that payouts were allowed in case the event was canceled. According to the Justice Department, no cancellation was secured by the insurance policies that McFarland was dishonest while partnering with the investors.

MacFarland underestimated the expenses and time to plan for the event. Among other parties, vendors and contractors had warned him that the grand event would take years to prepare. Due to overconfidence and his talent for selling, MacFarland risked planning the event in months, with little money. In the marketing process, the company paid popular models like Hadid, Ratajkowski, and Ambrosio to have fun in Bahamas in a private jet to

promote this App. Celebrities were also paid to advertise the App and the event in their social media accounts. For example, Jenner was paid \$250,000 to post one picture on Instagram (Huddleston, 2019). Few weeks to the event, it was noticed that the company had over \$3 million loans, and \$20 million would be lost. With that, most of the things promised were eliminated, resulting in frustrations from the goers. In 2018 the court said that MacFarland would be imprisoned for six years and over \$26 million to be paid back to the investors and customers (Huddleston, 2019). Besides, the US Securities and Exchange Commission said that MacFarland was banned from directing or working in any public company.

The company should have organized a team to oversee the event identifying the actions to be taken. MacFarland decided to plan the event alone, leading to mistakes. Forming a group is necessary, as consulting and discussions are held before decisions are made, leading to reliable decisions (Vladar, 2018). Establishing a budget is the other thing they should have done to meet the objectives. Here, the company's ability would be determined and the support needed from the investors defined. Doing this would have prevented the vast loans and lies communicated to the investors. With a budget, it is easy to persuade the investors as long as the risk involved is limited or preventable. Unfortunately, MacFarland underestimated the cost leading to huge losses that would have been prevented if a budget was prepared.

The company should have established an event master plan to identify the resources, time, and other necessary details. With a plan, the committee would have realized the time needed to plan the event. As noted above, the leader preferred to rush it to happen in a few months, where the mistake would be avoided if a master plan was developed. Besides, the plan would have determined the event's cost and identified reliable sources to get the cash. It would have helped the company learn its strengths and work on the weaknesses to deliver the promises.

References

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