

# Planning And Managing Corporate Meetings

BY ELISSA HUNTER

Meeting buyers continue to deal with limited availability, short lead times and rising rates. However, buyers increasingly are looking to strategically manage meetings in a variety of ways. Some companies are gaining more control over spending by consolidating or centralizing meetings operations into one organization. New and existing meetings management technology can provide more transparency to meetings budgeting and spending.

For negotiations with suppliers, particularly hotels, some buyers are gathering more information to maximize their leverage. Some companies now combine transient and group spending to increase negotiating power, or make greater use of preferred hotel properties to garner better rates. Some buyers also are being more flexible on meeting dates and locations to increase bargaining clout.

Procurement also is making its mark on meetings, whether through contract reviews or with the use of specific measurements, such as key performance indicators and service-level agreements. Savvy buyers measure the return on the meetings investment against goals set by meeting stakeholders.

Below is an outline for planning and sourcing meetings both large and small in a cost-effective and strategic way:

## I. STRATEGIC PLANNING:

To ensure a maximum return on the time, energy and money invested in a meeting, first determine the stakeholders' expected outcome. The planner guides the sponsor and the auxiliary stakeholders in outlining meeting goals.

A. Determine the meeting purpose and stakeholder expectations. Instruments that analyze return on investment before, during and after the meeting should validate results, including:

1. Increasing sales or productivity
2. Changing specific behavior



3. Effecting process change

B. Once the objectives have been developed, create a concise written statement of the meeting's goals. Include:

1. Stakeholder expectations
2. Who will attend: Consider group size, gender mix and ages, languages spoken, participants' positions in the company and any special needs.
3. Feasible and nonfeasible meeting dates. Are the dates flexible? Have key sponsors signed off? Can a meeting piggyback on another corporate event?
4. Should any specific meeting locations be considered based on where attendees are coming from or where it will be easy for all attending to travel?

## II. DEVELOPING AN AGENDA

Factor in:

A. An outline of the daily sessions, including expected attendance, meeting space requirements, seating arrangements, setup times, start and end times and audiovisual needs

B. Daily food and beverage requirements, including meals, receptions, breaks and off-premise venue needs

C. Air and ground transportation needs

D. Entertainment and recreation, including teambuilding events

E. Timelines for invitation, promotion, registration and production of meeting materials, including establishment of online registration capabilities

F. Budgeting for all sponsor and participant expenses

G. Requirements of presenters or keynote speakers

H. Onsite support for registration material distribution and other logistical needs

I. Gifts

## III. BUDGETING

Staging a program below its budget often pleases senior management, but only if significant quality is not sacrificed.

A. Consult with your sponsor, company →

accounting office or financial officer on how to budget to be compatible with internal accounting systems. Consider:

1. Distribution of expenses among meeting stakeholders

2. Staff time, accommodations, marketing, supplier deposits, food, beverage, transportation, taxes, gratuities, audiovisual equipment and production costs. Budget for unanticipated expenses.

3. Analysis of budgets from past meetings to gauge spend and ensure inclusion of all categories. Use checklists from industry associations and handbooks. Meetings technology also might assist in organizing a budget.

4. Tax implications for the company and attendees, especially for incentive or international meetings

B. For expenditures above budget, secure approval from the internal sponsor, and, if necessary, senior executives.

C. Ensure appropriate funds are allocated to pay all suppliers. Determine payment methods, such as meeting card, direct bill, corporate card or purchase card. Know how bills will be paid and the timelines for deposits and other payments.

D. Make suppliers accountable for proper submission of budgets and the tracking and reporting of actual expenses.

#### IV. SOURCING

Determine the best value location. The location of a meeting affects every portion of the planning, budgeting, execution, management and outcome. Consider:

A. Ask senior management if a meeting's desired outcome might make one destination preferable.

B. Facility availability and the number of facilities that fit requirements. Consider which type of property will best suit your meeting—urban, suburban or airport property, resort or conference center—the number and size of meeting rooms, daily food and beverage requirements and technical presentation requirements.

C. Time and cost to reach a destination and site. A travel or meetings management company may provide a destination analysis showing costs for attendee travel to various cities. Research airline meeting and zone fares and negotiated corporate transient fares as well as low-cost carrier mar-

kets of service. Also consider the location's climate and the time of year when the meeting will be held. Conference centers typically price on a per-day, per-attendee basis, incorporating room rate, food and amenity fees, called a complete meeting package, or CMP, rate.

D. Agreements a company has with hotel companies for business travel. Leverage transient travel and meetings to negotiate better deals with suppliers.

E. Accessibility of transportation.

F. Security. Know your audience's concerns and the property and destination safety record. Notify corporate security about meeting sites so they can assess the loca-



tion and possible risks. Understand how security operates on site. If the meeting brings a lot of valuables on site, ensure there is proper security.

G. Image. A company in the process of downsizing may not want to appear to spend conspicuously and some sites have the appearance of opulence. Ensure your company's competition is not holding a meeting at the same site and time. Consider if your company should be the only meeting at a smaller venue or needs space to grow.

H. Labor. Ask about local lodging worker unions and the status of labor negotiations. Talk with local union stewards, especially if a contract deadline is near your meeting.

I. Political and social factors. Legislation enacted by a municipality or state could conflict with company policies.

J. Seasonal hotel occupancy rates, room taxes and recent changes in supply or demand. Determine whether events, such as large conventions or festivals, could squeeze room supply and services during your dates. Many hotels offer incentives,

including food and beverage discounts, free meeting space, planner points or rebates for meetings booked for certain dates. If you are flexible, check the hotel's "need dates" to negotiate better pricing.

K. Budget

1. If cost is an overriding factor, consider remote conferencing options, a college or other nonprofit venue or holding the meeting in one of your offices, if the facilities are appropriate and private.

2. Sources of information for both destinations and meeting sites include convention and visitors bureaus, hospitality industry consultants, trade associations, periodicals and Internet searches.

L. Requests for proposals

After completing preliminary research, determine the process for conducting a formal search for meeting suppliers. Many planners recommend a formal request-for-proposals process, which allows a property to see, in writing, information about and requirements of your group.

1. Group: full name of your organization

2. Contacts: name, address, telephone and fax number, e-mail address

3. Brief description of your organization: its structure, mission, purpose

4. Brief description of the meeting: its purpose, general format and audience

5. Up to four years of meeting history, if available: attendance, headquarters hotel and overflow hotel, room nights blocked and actually occupied, food and beverage expenditures, schedule for future years, any credit or payment problems and explanations why they occurred

6. Acceptable and unacceptable dates

7. Desired rates

8. Special requirements or information: federal American with Disabilities Act regulations, transportation, attractions, restaurants, concessions

9. Proposals due/decision process: Provide the date by which a proposal must be received and what collateral materials should be included. Describe the process for selecting the destination, site and date by which a decision is expected.

10. Meeting specifications

a. Sleeping rooms: Describe daily requirements, including early arrivals, late departures, bed and room types, suites →

b. Meeting space: Provide day-by-day descriptions of the program, including meeting and office space, speaker room, breakout rooms and food and beverage space. Request hotel policies regarding 24-hour holds, if needed.

c. Exhibit space: Describe gross or net square footage, storage space needs, move in/move out times and days and special needs, such as floor load, power, water, gas, etc.

M. Site inspections: Consider making a site inspection part of the final assessment of responses to requests for proposals. Some properties offer a site inspection rate if a meeting booking results.

To conduct a site inspection:

1. Set an agenda and communicate it to those who manage the site. Ask that the convention services manager, audiovisual technician, catering manager and sales manager walk through the space with you. For meetings with food and beverage considerations, meet with the chef to discuss menu options.

2. Develop a checklist of which site aspects to see:

a. Selection of sleeping rooms and suites

b. Meeting space

c. Restaurants

d. Recreation, fitness facilities

e. Lobby and office operations

f. Security operations

g. Business center

h. Include a back-of-the-house tour to see where equipment is stored, the distance from the meeting space and loading dock accessibility.

i. All offsite venues, personnel and outside suppliers—destination management companies, audiovisual companies, ground operators, etc.

j. Check out the restroom facilities. Make sure they are close to the meeting space and adequate for the number of attendees.

k. Check the elevators to make sure they can handle the group if the meeting space and meals are on different levels.

l. Check what emergency services, such as hospitals, are available near the meeting site.

3. To determine a facility's service:

a. Do not check in as a VIP

b. Sit in the hotel lobby and observe

checkin and checkout procedures. Confirm how many people will be on staff during checkin and checkout times, and the baggage storage accommodations.

c. Walk the halls early in the morning and late at night to see if room service trays have been picked up.

d. Use room, housekeeping and wake-up services.

e. Observe security measures.

f. Ask for the ratio of employees to guests and guest rooms and average tenure of employees.

g. Ask for references for meetings held in the past six months similar to yours in size, scope and audience.



4. If your budget or time does not permit going to the site:

a. Get recommendations from other corporate planners or other meetings industry professionals.

b. Hire a meeting planner in the destination to conduct the site inspection.

c. View hotel information online.

d. Provide a checklist to the convention services manager and ask for detailed, printed information.

## V. PROPERTY NEGOTIATIONS

Negotiating styles are reflective of personalities and specific group needs. Preparation and knowledge of each meeting's price-to-value relationship is vital.

A. When negotiating, be aware of cultural, gender and stylistic differences.

B. Rules of negotiating

1. Everything is negotiable, but you may have to give something to get something.

2. Results will depend on many variables, notably the facility's projected occupancy for the dates requested, perceived past, present and future value of the meeting, and the group's financial history.

3. The best overall packages (room rates, food and beverage, meeting space, equipment and labor prices, etc.) result from knowing the value of the meeting in the location at the requested time. Communicate upfront with the property about budget to ensure proposals are in line with your expectations upfront.

C. Depending on a meeting's needs, planners usually either:

1. Negotiate with two or three hotels and select the one that best meets needs.

2. Select a single candidate for a meeting before beginning serious discussions.

D. Negotiating standards

1. Be clear about the meeting sponsor's priorities before entering into property negotiations.

2. See if you can piggyback a meeting with already negotiated discounts for concurrent events.

3. Articulate the meeting's value to the facility. Describe the full agenda for the meeting, sleeping and meeting rooms, meals, receptions and onsite social functions. The hotel will consider the opportunity for repeat business.

4. Understand yield management: Ask about the facility's peak, off-peak

and shoulder seasons and the days of the week on which it would prefer to book business. If meeting dates are flexible, it may be possible to shift to a time slot that will provide greater leverage. Keep a file of special hotel offers.

5. Circumstances enhancing the meeting's value to meeting venue operators:

a. Meeting off-peak or when business dips, such as holiday weeks or the beginning of a weekend in a corporate market

b. Scheduling a meeting within a gap in the property's schedule, between other meetings or when there's been a cancellation or attrition from another group

c. Booking with short lead time. In the event a facility has space available, it might be receptive to negotiating.

d. Hotel reopenings after renovations or acquisitions by new owners, or new properties coming into the market, which often offer special rates. A contract should cover all contingencies for incomplete renovations or properties that don't open as scheduled.

6. As the largest profit center for a hotel, there may be more flexibility in negotiating room rate first. However, other negotiable →

aspects of the meeting can yield equal or better savings:

a. Consider that lower tax deductibility of meals and entertainment can make negotiated savings on food and beverage more valuable than on rooms. Before negotiating lower food costs and higher room rates, make sure the meeting sponsor supports that plan and the tax status continues to support it.

b. Consider upgrades and/or special amenities and services in lieu of negotiated dollar savings.

c. If meeting participants and staff often work in their guest rooms, consider negotiating upgrades to rooms with high-speed Internet access and other business amenities at the group rate. If numerous support employees participate, you might want to negotiate staff rates as a percentage off the group rate.

d. Other negotiable items include meeting space, audiovisual services, access to health clubs or other recreational facilities, long-distance and toll-free phone access, in-room Internet access, parking and ground transportation and luggage checks.

e. Complimentary rooms—typically one room night for every 40 or 50 rooms occupied—should be negotiated cumulatively rather than nightly.

f. Reduced rates for copies and equipment use and 24-hour business center access for meeting staff.

g. At conference centers, prices are based on the per-day, per-attendee complete meeting package (CMP). Daily costs typically include sleeping rooms, meeting space, three meals, refreshment breaks and audiovisual equipment.

7. Understand attrition and cancellation requirements, which can be costly if not met. Such clauses may be negotiable. Try asking for them to be applied as a credit should the meeting cancel.

## VI. AIRLINE NEGOTIATIONS

Most major carriers offer many kinds of standard meeting products, including zone fares, 5 percent to 10 percent discounts and free freight. Try to use the company's overall marketshare discounts with preferred carriers. Many business travel airline contracts do not allow transient discounts

to be used for corporate group travel.

A. Determine which airlines best serve the meeting destination and participants' originating cities. The best deal should not overly inconvenience travelers and enables many participants to fly on discounted tickets, rather than offering steeper discounts for a small number of participants. Also check to see how far the meeting location is from the airport.

B. Provide documentation that a bona fide meeting is taking place, such as an online registration page or official notice giving the meeting name, date and location.

C. Ask the airline to provide discounted or complimentary freight and free drink



coupons and name changes on tickets or upgrades for VIPs.

## VII. CONTRACTS

Contracts form the foundation of what is expected of the meeting sponsor and the supplier. Put everything in writing. Even with the best intentions, misunderstandings can arise.

A. Solicit a contractual review from the company's internal purchasing, procurement or legal department. Even if you do not personally sign a contract, liability exists simply by being involved in the process—especially in hotel negotiations, where the trend is toward stricter enforcement of attrition and cancellation penalties by hotels.

B. During the site selection and negotiation process, ask to see a facility's standard contract, especially the fine print on deposit, payment, attrition and termination and cancellation policies. Negotiate a final agreement that incorporates the facility's and your firm's standard language.

C. To be enforceable, a contract must comply with contract laws, specify terms, be accepted by both sides and signed by

people with authority to enter into it. The following elements should be in contracts:

1. Meeting sponsor and contacts
2. Facility name and contacts
3. Dates of function
4. Checkin/checkout provisions, including those for corporate executives and VIPs
5. Guest room rates, including local and state tax
  - a. Whether the rate is commissionable or net of commission
  - b. Additional resort, housekeeping or portage fees
6. Cutoff date and conditions for reservations, as well as reservation methods (by housing list, telephone, mail or online)
7. Conditions under which accommodations are provided for free
8. VIP considerations and upgrades
9. Parking (self-park and valet)
10. Method of payment for sleeping rooms and meeting, i.e. credit card, master billing or individual pay
11. Meeting room rental charges, load dates
12. Renovation/construction/noise
13. Mechanical, electrical, labor charges
14. Food and beverage final guarantee time frame
15. How the presence of other groups, particularly competitors, are handled
16. Attrition, both for sleeping rooms and food and beverage, on the guaranteed dates
17. Termination/force majeure
18. Cancellation
19. Change of owner or management
20. Dispute resolution
21. Insurance, including indemnification
22. Collective bargaining agreement
23. ADA compliance
24. Compliance with the Hotel/Motel Fire Safety Act, and other local regulations
25. Equipment inventory
26. Recreation charges
27. No-walk guarantees
28. Telephone call charges
29. In-room Internet access
30. Any concessions
31. Whether to put up signage
32. Meeting room name or square footage
  - A. Attrition, termination and cancellation clauses are important, but complex and potentially damaging concepts.
    1. Attrition, sometimes referred to as slip- →

page, can be applied to sleeping rooms and to food and beverage. Spell out what will happen if attendance is not as anticipated and contracted. A facility, having protected space for a meeting, may well be due financial remuneration for a shortfall in revenue.

2. Termination/force majeure clauses, or "Acts of God and War" clauses, apply when a meeting is stopped because of forces beyond the control of the group or the facility, including weather events, labor actions, large-scale disasters, pandemic illness or civil unrest. Generally, no penalties are assessed to either party when meetings must be terminated for such reasons—however, these clauses are susceptible to very different interpretations.

3. Cancellation clauses should carry charges for the canceling party. Liquidated damages should be based on lost profit.

### VIII. COMPLYING WITH ADA

The Americans with Disabilities Act defines a disability as a physical or mental impairment that substantially limits one or more life activities. The organization sponsoring the meeting is legally responsible for compliance. Registration forms should state that those with disabilities can be accommodated upon request, and ask attendees about specific needs.

A. Be sure the site contract stipulates that the meeting and guest rooms comply with the Americans with Disabilities Act.

B. Check public spaces and sleeping rooms for accessibility. Focus not only on wheelchair obstructions, but also on barriers to people who are visually or hearing impaired, use canes, have limited use of their hands or cannot speak.

C. Prepare a detailed checklist evaluating accessibility in parking lots, building entrances, elevators, guest rooms, bathrooms, restaurants and meeting rooms and follow up with the property.

### IX. LIABILITY AND INSURANCE

A. Liability insurance: In the contract process, ensure that the sponsoring organization and suppliers with which you work have adequate insurance. For some corporate meeting activities, add riders to the sponsoring organization's or supplier's insurance policies to cover a particular event. Industry experts typically recommend between \$1

million and \$2 million in coverage.

B. Health and safety: During site inspection, check that the facility meets safety and health codes. Understand hotel security processes and procedures for evacuation and communications with local authorities if evacuation is necessary.

C. Indemnity: Contracts with hospitality vendors should hold the sponsoring organization and corporate planner harmless for possible claims arising from vendors' negligence. Most indemnity clauses are mutual. Thus, the meeting sponsor also will be asked to indemnify vendors.

D. Workers compensation: Include an "all states" provision to cover temporary



staff for out-of-state meetings.

E. General insurance: Insure equipment that the sponsoring organization and staff will bring to the corporate meeting.

F. Liquor liability: Make sure appropriate safeguards are in place for alcohol consumption, including liquor liability or dram shop insurance. Not only are all parties liable when liquor is served by the sponsoring organization, whether at a hosted or cash bar, but some state laws hold staff and organizations liable even when alcohol is not served if an attendee drinks to excess and harms himself or others.

### X. FOOD AND BEVERAGE

Discuss the group's profile with the catering manager and/or chef. Advise them of the budget and ask for advice for the best meals within the given guidelines.

A. Food is one area for which there is little negotiation. Food prices usually rise a minimum of 10 percent each year.

B. Spell out when guarantees are due, typically 48 business hours to one week before a meeting. Write into the contract the oversight, the number of people the facil-

ity will set places for above the guarantee. The industry average is 3 percent.

C. If the meeting is large or high-level enough, ask to taste food as close as possible to what participants will receive.

D. Hotels charge for the guarantee or the number served, whichever is greater.

E. Gratuities and taxes are added to the menu items. Specify how labor charges and/or gratuities will be paid. In most states or cities, service charges and gratuities are added to the price of the meal and taxed.

F. For standard three- or four-course meals, most facilities allow one server per two tables. For more formal meals and/or VIP tables, consider one server per table.

G. Buffets, which usually have one server for every 50 guests, are good for informal meetings, smaller groups and staggered mealtimes. Buffets are more expensive because more food than is needed must be prepared and displayed. Make sure there will be adequate buffet lines for your group size.

H. Bars: There should be one bartender for every 50 people. For fewer than 100 people, pay for liquor by the drink; for more than 100, pay by the bottle. Tell the hotel mixed drinks should contain one ounce of liquor only. Have the bar close after 45 minutes rather than at the end of the hour. If you are buying by the bottle, check the inventory before and after the event.

### XI. MEETING ROOM, A/V USE

Meeting objectives can be better met by setting the room to ensure clear views and comfort. Specify meeting rooms in the contract and allow changes only with written permission.

A. Room set examples

1. Theater style (chairs only)
2. Classroom or schoolroom style
3. Crescent style
4. Clustered tables
5. Conference style: Not recommended for groups of more than 30
6. Banquet style

B. Audiovisual equipment

1. Ask the A/V representative to recommend how to best use the space. Ensure the rep is available during the meeting.
2. For displaying computer-generated presentations, you will need to provide LCD panels and high-intensity overheads. →

3. Determine which rooms need audio-visual equipment. Make sure meeting rooms can handle your audiovisual requirements. If a rear-screen projector is used, check the room dimensions to make sure the projected image will fit.

4. Hotels often do not charge fees for importing audiovisual equipment, though some mandate use of their own audiovisual equipment.

5. See if the hotel offers wireless Internet or remote conferencing access in meeting rooms.

## XII. PREPARATION & ONSITE MANAGEMENT

At the meeting site, the planner needs to check and test meeting room and audiovisual setups, anticipate potential problems and ensure service quality.



A. Send meeting specifications to the facility at least one week, but preferably two to four weeks, before a meeting. List every meeting requirement, hour by hour. Include meeting office, press room, speaker ready room, activities that necessitate food and beverage service and offsite events. Include billing instructions.

B. The facility reviews the specifications and sends its version of the meeting information, along with event orders and banquet event orders. Quickly advise the facility if this information does not match your specifications.

C. Schedule a pre-convention meeting 24 to 48 hours in advance, with all involved parties, to review procedures. If there are any changes made to the banquet event order, review it on the day of the meeting to ensure the changes were made.

D. Daily responsibilities onsite

1. Each morning, secure a printout of all sleeping rooms and a report of the no-

shows and the cancellations.

2. Early in the day and again in the afternoon, meet with the company and facility staff to review changes in the program and/or meal counts. Know the names of and the fastest way to reach your contacts at the meeting site.

3. Each afternoon, meet with accounting to review the bills for that day and the previous one.

4. Meet with the meeting sponsor regularly to receive feedback that can be acted on by all suppliers.

5. Ensure suppliers understand their roles and are accountable for execution.

## XIII. FOLLOWING UP

Hold a post-convention meeting with hotel management. Evaluate what worked and what did not and review the bills.

Determine if meeting goals were reached. Consider a formal tool to measure the return on your company's investment.

A. Survey attendees several months after the program to determine if the expected outcome was achieved.

B. Share data with senior management and meeting sponsors about return on investment, including cost savings.

C. Consider surveying your attendees for feedback on such issues as the quality of the property and the food and beverages for future meeting preparation.

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