

## **Corporate Meeting Management** *Surviving and Thriving in a Recovering Economy*

By Brad Goodsell  
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While the last year marked a steady increase in meeting bookings after the recession's sharp drop-off, getting more for less has become the norm. When planning and executing meetings, companies continue to scrutinize their meetings budgets and keep a close watch over spending. Moreover, factors unrelated to the economy, such as improved video conferencing technology and increasing corporate concern over carbon footprints, present additional challenges to business travel. The following trends provide a snapshot of what to expect from the industry and how to maximize your budget for successful meetings management during the recovery.

### **Lean Meetings**

The strongest trend in response to the economy is shorter, leaner meetings. From travel time to content and lead times, the entire meeting schedule is compacted to maximize cost savings. Strategically located meetings, where many companies break large, single-location gatherings into several smaller regional meetings, are increasingly popular. As oil prices continue to rise, bringing travel costs with them, regional programs that require less air travel and fewer hotel stays represent a reasonable and affordable alternative.

Planners can make the most of regional meetings by booking them in second- and third-tier cities, where lower demand generates significant cost breaks on hotels and F&B, increasing the value created for each dollar spent.

Along with less travel time, meeting lengths are reduced to essential content so time spent at the meeting is more targeted, and employees are back in the office faster. Compacted meetings also typically mean short lead times, which create challenges for planners and vendors. Where hoteliers and planners used to forecast one year out, they now forecast just a month or two out. Companies are discovering they can continue to meet with cost-savings adjustments and may have little incentive to restore pre-recession systems.

While short lead times are challenging, they also present opportunities for last-minute deals on hotel bookings. Also, working with vendors offering multiple services can minimize pre-program admin and may bring cost breaks if you choose several services, allowing you to manage the short lead time and still save money.

### **Outsourcing on the Rise**

Typically, outsourcing rises in struggling economies, and the meeting planning industry is no different. As companies continue to look for ways to increase productivity amid hiring freezes and budget cuts, utilizing external meeting planners and travel directors is a cost-effective way to get the job done. If you're using outsourced planners, consider

having a roster of three to five potential planners year round. When you first hear of a potential meeting that might require extra help, but aren't sure of budget or details, alert your team. This gives them time to arrange their schedules and start looking for deals. Having a team familiar with your working style and expectations will also help make the process seamless.

### **Green on a Budget**

Related, environmental concerns, along with cost reduction is pushing companies to hire increasingly localized planning teams and outsource administrative work necessary for keeping them straight. Many companies hire several local, regional teams in each area to plan smaller meetings.

Although local staffing often saves money and reduces the environmental impact of traveling, it increases administrative load on already stressed corporate travel teams. Therefore, companies are increasingly outsourcing administrative tasks such as payroll, data tracking and contracting to outside travel directing companies.

Beyond using local planning teams, checking in with local keynote speakers and entertainment for the meeting eliminates travel costs and effects on the environment. Distributing meeting materials electronically, either by e-mail or posting to the company website for download, saves on printing costs, eliminates paper waste and often gets positive feedback from attendees who appreciate having time to study materials beforehand.

In addition, using local food distributors is often much less expensive than shipping food to the site, and again carries both green benefits of supporting local growers and reducing environmental effects of transportation while giving attendees a fresher, more conscientious eating experience.

### **Hotel Negotiations**

Beyond all other price-saving measures mentioned, hospitality pricing structures will be a major budgeting factor for meetings as the industry recovers. According to the *Hotels.com* Hotel Price Index (HPI), the average cost of a hotel room around the world rose 2 percent in 2010, the first time that the average hotel room price rose year-over-year since 2007. We can expect to see increases reach the mid to high single digits this year as construction growth remains stagnant, and hotel occupancy increases due to lack of new builds in the market.

However, such a modest increase after a long and deep recession still means hotel rates are relatively low compared to pre-recession levels, and hotels are still desperate for big business bookings, which leaves plenty of room for planners to negotiate price breaks and extra amenities. Larger hoteliers are continuing to lay out value-driven discounts and dynamic pricing to supplement flat-rate negotiations in attempts to woo back group business.

Meeting planners and clients want streamlined, efficient and budget-friendly programs,



especially now that companies are shifting their focus to once again growing their business and profitability. In order to do that, many meeting planners are demanding more value to maximize their clients' budgets, and hotels will continue to offer it to secure business.

This is also a great environment for planners to take advantage of changes in hotel points programs and promotion initiatives aimed at corporate business because hotels want to big business back. Before negotiating your rate, do some homework on your location's local market to get a better idea of how far they will bend for you. As the tried and true rule of negotiation says, "It never hurts to ask." *C&IT*

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