Building a Strategic Meetings Management Program

July 2008

Second Edition
(First edition published March, 2004)

From

Framework for Success:
Strategic Meetings Management Programs

A series by the NBTA Groups and Meetings Committee

Table of Contents

Introduction

This is the second edition of *Building a Strategic Meetings Management Program*, the first paper in the series *Framework for Success: Strategic Meetings Management Programs*. The first edition was groundbreaking when it was published more than four years ago. During that time, the practice of strategic meetings management has evolved significantly, and the NBTA Groups & Meetings Committee determined that those changes necessitated a new edition of this paper to better reflect the present situation in the meetings industry. This paper also includes a more global perspective than the original, to reflect the global economy in which most companies considering or implementing a strategic meetings management program (SMMP) operate.

For a high-level overview of strategic meetings management, please see the NBTA SMMP Executive Summary at www.nbta.org/Research/WhitePapers#meetings, which includes the top ten reasons to implement an SMMP, the main components of a program, methods to start an SMMP, the four categories of risks and common SMMP metrics.

Situation Analysis

The 1970s and 1980s were tumultuous times for the travel industry. Sparked by the Airline Deregulation Act of 1978, the landscape of business travel was changing dramatically. First, a plethora of new carriers entered the market, followed by a flux of airline mergers and acquisitions, making conditions ripe for the emergence of low cost carriers vying for their niche of business. The dynamic and often volatile state of the airline industry affected all facets of business travel. As a result, many corporations aggressively pursued initiatives to cut travel expenses by strategically managing their travel and purchasing practices.

By the early 1990s, strategically managed travel spilled over to meetings and group events. The term “Meetings Consolidation” was introduced at that time to define the process of consolidating meeting/event planning into a centralized function. The early pioneers of this concept represented companies with large sales forces and multiple product lines (i.e., pharmaceutical and technology industries) that typically produced hundreds of meetings and events each year. It was not uncommon for these companies to establish large meeting planning departments based on the notion that consolidation led to savings by reducing the number of meetings, staffing and suppliers.

As this consolidated approach to meeting management spread to other industries, new models of the initiative began to appear. A large central meetings management department was no longer the only viable option for a successful meetings program. With the onset of technology tools geared towards meetings management, many new models of strategically managed meetings ensued. It became apparent that there wasn’t one “right” way to approach this initiative suitable to every company and situation. Instead, companies interested in developing a Strategic Meetings Management Program (SMMP) need to design a program that meets their own company’s objectives and best supports their unique corporate culture.

In March 2004, the NBTA Groups & Meetings Committee originally authored this white paper to provide information to corporate travel buyers responsible for developing or managing SMMPs. At that time, the concept of strategically managed meetings was still relatively new, thus the document was written as an introduction to SMMP. It included key terminology, strategies, and emerging best practices from which the reader could decide the best course of action for an SMMP within his own organization.

Since 2004, the movement by corporations large and small towards SMMPs has been brisk. The meetings industry has matured and now demands more sophisticated methodologies often incorporating customized approaches to strategic meetings management. Global organizations are designing programs to address multi-national and multi-cultural requirements. Compliance to regulatory laws and guidelines has precipitated more complex and auditable meeting processes. The tools of the trade are responding to these advanced requirements by enhancing system features and offering integrations with other technology solutions to streamline processes and improve efficiency.

Probably the most significant of the lessons learned since this paper was first written is that SMMP is an ongoing and evolving initiative. Often companies identify the key components that will comprise their program, assuming that once they complete the tasks associated with putting those in place, their program will be complete. In practice, what current case studies show is that once the initial program is in place, additional components are added and/or refinement to existing components may be necessary. Couple this with the rate at which the meetings industry and related technology solutions are maturing, and it is no wonder an SMMP is actually a long-term commitment.

Another lesson learned is that the meeting management community has grappled with the application of this discipline, especially as it relates to the ever evolving role of the meeting planner. Since the initial launch of the *Framework for Success* series, the terms "strategic meetings management" and "SMMP" have been adopted by many in the quest to define the changing landscape of both meeting planning/delivery and the strategic management of meeting activity at the enterprise-wide level. Properly used, both terms indicate the strategic management of enterprise-wide meeting related processes, spend, volumes, standards and suppliers to achieve quantitative cost-savings, risk mitigation and superior service. As such, multiple meeting planners across a company cannot necessarily start or own such a program, though they are certainly key stakeholders and participants in the implementation of an SMMP. Unfortunately, the term SMMP has been diluted and inappropriately used to cover the efforts a meeting planner must make in order to be more strategic about the delivery of meetings and events. In contrast to the strategic meetings management, "strategic meeting planning & delivery" concentrates on strategic approaches and skills to manage the critical elements in delivering meetings and events.

Steps to Developing a Strategic Meetings Management Program

Developing an SMMP, like any large project, begins with a project plan. Key milestones must be identified and responsibilities should be assigned to appropriate resources. Applying project management best practices is recommended when developing an SMMP. At a high level, the steps to developing an SMMP are as follows:

- DEFINE the problem, the opportunity, the breadth and scope
    - Identify and engage stakeholders
    - Select an executive sponsor

- MEASURE the current state of spend, processes, policies and staff involved
    - Conduct internal stakeholder interviews and surveys
    - Compile and analyze historical data
    - Research data available from suppliers

- ANALYZE the opportunities
    - Identify process efficiencies
    - Plan risk management methodologies
    - Discover cost savings and avoidance opportunities

- BUILD the framework for the program
    - Engage team in review of research findings
    - Analyze return on investment (ROI)
    - Build business case

- IMPLEMENT the SMMP
    - Educate, market, maintain and improve the new environment

While SMMP implementation timing can vary greatly based on program components, scope and resources allocated, most practitioners are reporting one to three years to implement and another year or more to reach full adoption. Given the ongoing and ever-changing nature of an SMMP initiative, it is often difficult to determine exactly when completion is achieved. Program refinement usually follows the initial deployment, contributing to the notion that a successful SMMP is never truly finished.

Step One – DEFINE

When embarking on any strategic initiative, the very first step is to clearly **define and articulate the problem or opportunity**. The scope and breadth of the initiative must be determined as well. The following questions will help to **define the scope and breadth** of the initiative.

- Is it national, regional or global in geographic scope? How will geographic scope be defined (e.g., all meetings and events originating in a destination, taking place in a destination, or both)?
- Will it include all meeting types or only specific types of meetings and events?
- How will meetings and events be defined? By the number of attendees, budget value, or a combination of factors? What other factors (e.g., on-premises vs. off-site meetings and events) define a "meeting or event" for the purposes of this initiative?
- Will it apply to meetings and events of any value, or only those above a prescribed budget?
- Will it apply to all divisions, business units and functional areas, or only specific ones?
- Are there exceptions to be considered based on meeting sponsor level, status or other factors?

At this early stage, it is critical that **key stakeholders be identified and engaged**. The identification of stakeholders begins with meeting and event planners — regardless of official titles or job duties. Include administrative assistants, product managers, project managers and any other staff members who are involved in the planning of meetings. Be sure also to identify their meeting sponsors or budget owners. From here, expand the list to include company personnel who are involved, even if in a limited capacity, in meeting activities. They may represent the following functional areas:

- Procurement
- Legal
- Risk Management
- Ethics and Compliance
- Security
- Technology
- Finance
- Real Estate
- Learning and Education / Training
- Sales and Marketing

Finally, **select an executive sponsor** who understands the merits of the initiative and shares the project's vision. This person should be at a senior management or executive leadership level. He or she should be able to influence change, remove barriers and allocate resources to ensure the initiative's success. For global programs, a strong global leader who is respected in all regions and who is empowered to break down local/regional silos is critical. This person will need to be able to have a presence at regional planning and implementation meetings, especially while the program is being launched. Ideally, the sponsor will have some direct or indirect responsibility over the areas of travel, procurement and/or meetings management.

Step Two – MEASURE

Also known as **Discovery or Situation Assessment**, this is the phase in which understanding of the company's current state with respect to meeting spend, processes and policies is achieved. A baseline is established from which to make recommendations for improvements and measure program results. The fact-gathering process used to develop the baseline is critical to avoid decisions founded on intuition or inaccurate data. Key actions in this phase include:

- Conducting stakeholder interviews
- Gathering and analyzing historical data
- Researching interactions with and comparing data from suppliers

A series of internal **stakeholder interviews** with traditional meeting planners and sponsors will enable a baseline to be documented for "professionally" managed meetings and events. Subsequent interviews with non-traditional planners (i.e., administrative assistants, product managers and project managers), sponsors, and department managers will benchmark the level and processes of non-traditional planning. These interviews should follow a consistent outline and format, yielding detailed information on how, when and where company meeting/event activity is managed. A sample needs assessment questionnaire is available at www.nbta.org/Research/WhitePapers#meetings.

Collaboration with other internal stakeholders also should begin at this stage. Other internal stakeholders may include corporate travel, accounts payable, sales and marketing, finance, internal audit and/or ethics and compliance, procurement, and any other group with an understanding of or responsibility for budgeting, regulatory compliance, purchasing, accounting, and travel and expense reporting practices and systems. This exercise often pinpoints planning loopholes, common and excessive expenditures, the role of suppliers, and other metrics necessary to validate and benchmark company-wide meeting activity.

Best practice recommends using standard survey tools to gather this information, however, face-to-face interviews with key stakeholders are important to build collaboration and pave the way for cooperation when implementation begins. This is especially true of global or multinational initiatives, where stakeholders representing countries or regions of the world need to be included early in the discovery phase. It is important that they feel they have a seat at the table both regionally/nationally as well as at the global level in order to ensure their unique requirements are understood and addressed.

This is usually the point at which a project team or advisory council begins forming. This team should be comprised of cross-functional employees that have a stake in the project. A supplier experienced with SMMP deployment or consultation also may be engaged and included in this team. The team is responsible for validating project objectives, creating project plans, contributing towards project recommendations and deliverables, and supporting the project through communications, marketing campaigns and employee training.

To validate the accuracy of the information and to discover potentially unknown planners and/or sponsors, a careful **review of historical meeting data** should occur. The review may include reporting provided by internal meeting planning organizations, accounts payable, purchasing systems, travel and expense (T&E) reports and corporate credit card systems. Metrics for consideration include expenditures by vendor and vendor type, by spend or cost category, by meeting type, by organizational structure (business unit, functional area, division), and by geographic segmentation (region, country, sales market or territory, city), as well as an analysis of contracts for events both past and future. Multinational initiatives require establishing one currency as the "official" currency for all relevant financial reporting. Accurately documenting exchange rates used in all analyses is critical when converting meeting expenditures into the official currency for reporting purposes.

During the data collection phase it likely will become apparent that a single form of payment strategy will make ongoing data collection simpler. This is considered a best practice and is discussed further in the Best Practices Flow section of this paper.

The data then should be normalized, or standardized, for baseline reporting. With this data, it is now possible to measure gaps between initial meeting spend estimates and the actual volume. Once the results of the historical data analysis are paired with the interview detail, external **supplier research** can be used to validate, supplement and enhance the baseline. Most hotel chains and hospitality suppliers track their own business levels by company/client. Obtaining this information can support initial findings and enhance the value of the overall baseline. The combination of these efforts will result in a sound baseline from which key support strategies will stem.

Step Three – ANALYZE

Now that a truer picture of the current situation is understood, the next step is to **identify the opportunities** that exist, which may lie in any or all of three major areas:

1) Process Efficiencies
2) Risk Management
3) Cost Savings and Avoidance

In the course of identifying the opportunities for a global SMMP, it is important to bear in mind challenges and idiosyncrasies unique to certain regions of the world. Consider the following when assessing global opportunities.

- An SMMP has to compete with many local meeting experts, including destination management companies (DMCs), and travel and meeting management companies, some of whom have long-standing relationships with regional or local meeting stakeholders. The program must benefit stakeholders by offering optimal service, convenience and better mitigation of risk.

- Each country's unique cultural requirements (language, currency, customs and business etiquette) must be recognized in order to overcome the preference of stakeholders to work with local resources and to encourage global program adoption. A global SMMP advisory council should be assembled comprised of representatives from key markets. This internal group of key market stakeholders may represent various departments involved in planning or strategic management of meetings and events. The council should be responsible for assisting in the development of global and regional strategy. The SMMP team leader or project owner should play a strategic role, but this group should be empowered to suggest solutions for their regions.
- Compliance is generally lower in regions where resources are not physically present, so strategically place procurement staff and planners in key markets globally.
- Commissions are not as prevalent outside the U.S. If commissions are being used as a source for funding of an SMMP, alternate funding models may be necessary to account for global variances.
- Meeting automation – if offered as a standard platform for all company planners – should be offered to users in local languages. Likewise, training and program marketing communications must be presented in multiple languages to encourage adoption, even if English is the company's official language.
- Local laws vary, requiring implementation of regional SOPs.
- Corporate meeting or purchasing credit cards are not offered in all markets/countries, thus regional standardized payment processes will be more successful than attempting to select one form of payment to apply globally.

Process Efficiencies

The first area for potential opportunity lies in ***process efficiencies*****.** In the discovery phase, it is highly likely that areas of overlapping responsibilities and duplication of effort are uncovered across the company. This "silo" approach to meeting planning creates tremendous opportunity for implementing process efficiencies and standard operating procedures that take advantage of company-wide resources and tools to streamline a meeting planner's work load and maximize productivity. In many cases, the opportunity centers on the mechanics of meeting planning: site selection and contracting, logistical planning and budgeting, and on-site meeting operations.

Site selection and contracting processes are often the first areas where efficiency opportunities surface. By evaluating the steps taken by both the professional meeting planner and the non-professional or occasional meeting planner, similarities may be gleaned from which to establish more standardized procedures. Likewise, the use of common systems and software to facilitate these processes can bring welcome efficiencies. Automation of RFPs, an online vendor database containing group preferred hotel program information, feedback on suppliers/hoteliers/venues and historical rate information, and standard company-approved supplier contract templates are all examples of technology in use today to streamline meeting planning.

Risk Management

The second area of opportunity is ***risk management***. Throughout the discovery phase, it is highly likely that a broad spectrum of contractual agreements were uncovered. In many cases, company personnel sign supplier contracts with little legal knowledge or applicable business acumen to understand the nuances of meeting-related agreements. In other cases, individual events require unique supplier contracts that bring added exposure and risk to the company. In any case, a consistent company-wide contracting process immediately will raise awareness, begin to reduce the company's risk related to meetings and events contracts, and ensure that agreements are executed by individuals with authority to legally bind the company. Company-wide contracting SOPs could include any or all of the following practices:

- Centralized contract signature requirement
- Prescribed signature authority levels (based on dollar value, risk, a combination of the two, or some other factor)

- Standard supplier contract or addendum document templates
- A process for legal or corporate audit contract review
- Documented contract retention and storage plan

Best practice also suggests adopting a methodology for calculating a contract's risk exposure to the company. There are numerous ways to measure risk exposure at the project and enterprise levels, but the measurements must have a logical and credible formula. A sample measurement tool provided as part of the *Framework for Success* series is available on the NBTA website at www.nbta.org/Research/WhitePapers#meetings.

The Positive Impact of SMMPs on Sarbanes-Oxley (SOX) Compliance

A rapidly emerging driver for improved corporate policies that lead toward greater controls and auditable records management is the Sarbanes-Oxley Act of 2002. The Sarbanes-Oxley Act also is known as the Public Company Accounting Reform and Investor Protection Act of 2002 (and commonly called SOX). It is a United States federal law enacted in response to a number of major corporate and accounting scandals. In particular, it was alleged that a chief executive officer of a major international company tapped into corporate coffers to hire a meeting management company to produce an elaborate private event with estimated expenses of up to two million dollars. This event established a link between internal controls on corporate meetings and events and Sarbanes-Oxley, casting light on this traditionally unmanaged cost category. Collectively, similar scandals cost investors billions of dollars when the share prices of the affected companies collapsed and shook public confidence in the nation's securities markets.

Sarbanes-Oxley contains eleven titles that describe specific mandates and requirements for financial reporting. Each title consists of several sections, a few of which directly can impact the development of an SMMP. The most notable and perhaps most contentious aspect of SOX is Title IV, Section 404 (Management Assessment of Internal Controls), under which management is required to produce an "internal control report" as part of each annual report. The report must affirm the responsibility of management for establishing and maintaining effective internal control structures and procedures for financial reporting. The report also must contain an assessment, reflecting the most recent fiscal year of the company, of the effectiveness of the internal control structures and procedures of the issuer for financial reporting. To do this, managers generally are adopting an internal control framework across multiple functional areas and cost-categories within their organizations, including corporate travel and subsequently groups and meetings.

It is important to note that the impact of SOX does not mean that corporate expenditures for meetings and events will become a line item in quarterly and annual reports. It does, however, mean that company chief executive and chief financial officers formally must attest to broad-scope internal controls for the purposes of accuracy, adequacy and fair representation in financial reporting. An SMMP should be viewed as a means of supporting SOX 404 requirements within publicly-held U.S. companies, and those leading these initiatives are positioned uniquely to bring significant value to their organization through improved internal control systems, visibility, approval processes, risk management and audit-ability in support of the required c-level executive attestations.

The Sarbanes-Oxley requirements that are most likely to benefit from a successful SMMP are as follows:

- Section 302 – Corporate Responsibility for Financial Audits
- Section 401 – Disclosures in Periodic Reports
- Section 404 – Management Assessment of Internal Controls
- Section 906 – Corporate Responsibility for Financial Reports

A copy of the SOX Act may be obtained at www.sec.gov/about/laws/soa2002.pdf.

Consult with your organization's finance, procurement and legal representatives to ensure that your risk management and measurement program is in support of c-level executives and the attestation requirements under SOX 404.

Cost Savings and Avoidance

The third area of opportunity, often a primary driver of SMMPs, is ***cost savings and avoidance*****.** Before this opportunity is quantified, it is important to understand your own company's method for recognizing cost savings versus cost avoidance before this opportunity is quantified. As with measuring risk exposure, there are many measurement methods used to quantify savings. The following are examples of commonly used savings calculation methods using hotel room rates as the cost category. Note that these principles apply for any cost category.

- **Year-Over-Year:** A hotel room cost $100 last year and I paid $90 this year = $10 cost savings.
- **Quoted vs. Actual:** The hotel room rate quoted was $200 and I negotiated it down to $150 = $50 cost savings.
- **Budget vs. Actual:** I budgeted for a hotel room rate of $100, yet it was actually $90 = $10 cost savings.

It is quite common for a company to apply an established method for measuring cost savings/avoidance in other spend categories to meetings and events. Consulting with finance or procurement to understand this formula, and obtaining approval of its use for an SMMP initiative, will assure credibility of savings estimates. The most direct opportunity for cost savings/avoidance may be derived from applying basic procurement principles to the purchase of goods and services for meetings and events. By incorporating preferred supplier relationships into a leveraged method of negotiating and contracting, it is highly logical that better pricing and terms will be a direct and measurable result.

Additionally, cost savings is achieved within the first two opportunity areas as follows:

1) Process Efficiencies – reduced labor costs associated with increased productivity, realized upon implementing SOPs and optimizing the use of technology to automate processes.
2) Risk Management – by implementing a standard contracting process which minimizes or averts attrition and cancellation fees.

Step Four – BUILD

With a solid understanding of the current landscape of the meeting and event planning activity in your organization and a clear understanding of the opportunity potential that exists, work now begins on creating the framework of your company's SMMP. A comprehensive document detailing the results of your research should be produced for initial review and validation by the project team and then a review by a broader cross-functional group within the company. Forming the basis for the business case, the document will outline the current state of meetings and events for the organization and identify issues and concerns that need to be addressed in order to achieve the desired results. The document also will lay out the areas for opportunity and the anticipated benefits. It is recommended that an initial timeline be included to set realistic expectations on estimated milestones. This documentation will be critical to the communication of future goals, the development of metrics to measure progress against goals and the development of strong policies and processes to achieve set goals.

With the initial documentation complete, the next step is creation of an SMMP business case. The tasks necessary to prepare a comprehensive business case include the following:

- Validation and identification of meeting volume estimates
- Identification of stakeholders
  - Meeting planners and sponsors
  - Project team leader or owner
  - Project team members and/or global advisory council members
  - Executive sponsor

- Definition and descriptions of meeting types and purposes
- Documentation of current meeting and event processes and procedures
- Identification and quantification of the opportunity
    - Identification of barriers or known obstacles and critical success factors
    - Validation of cost savings estimates
- Definition of best practice strategies that will support the company's culture and strategic vision
- Validation and communication of senior management support

By understanding the current situation and identifying the opportunity, the project team will be able to create a gap analysis between current and desired realities. The gap analysis allows an organization to better understand what is required in terms of human resources and financial outlay to move toward the desired state. At the heart of the business case will be the difference between the cost of implementing the SMMP and the benefits, known as the project's return on investment (ROI). Obviously, the business case should demonstrate a positive ROI (benefits outweigh the costs) as without this, the business case has little chance of approval.

The business case should be organized into four main parts:

1) Current Situation – Include as much verifiable data as possible and explain root causes for any gaps in data. Testimonials from internal stakeholders are useful to better illustrate the situation.
2) Opportunity/Best Practices – Be as specific and quantifiable as possible, citing industry case studies to support the information presented.
3) Gap Analysis – Describe what's necessary to move from current to desired state.
4) Best Practices Flow – Include a strategic plan, action plan and communication plan.

Step Five – IMPLEMENT

With an approved business case in hand, implementation decisions commence. There are many ways to approach implementation, from a phased approach by organizational structure (division, department, business unit, functional area); by geographic segmentation (region, country, market); and/or by SMMP component (meeting registration, approval, sourcing/procurement, planning/execution, payment/expense reconciliation, data analysis/reporting) to a large-scale, all-encompassing roll-out. One of the key drivers to making these decisions is the availability of resources necessary to manage all of the implementation tasks and the availability of project funding. Again, there is no "right" way to implement an SMMP; what works best for each company depends on a myriad of factors. Having a sound business case and clearly defined objectives ultimately will reveal the best course for implementing the program.

Due to the ongoing nature of an SMMP initiative, it often feels as though there is no end to the implementation phase. This is even more evident with global initiatives, which often launch in phases by geographic region due to regional considerations unique to each deployment.

Tasks like communications and marketing campaigns, employee training, and compliance monitoring and enforcement are all reoccurring action items.

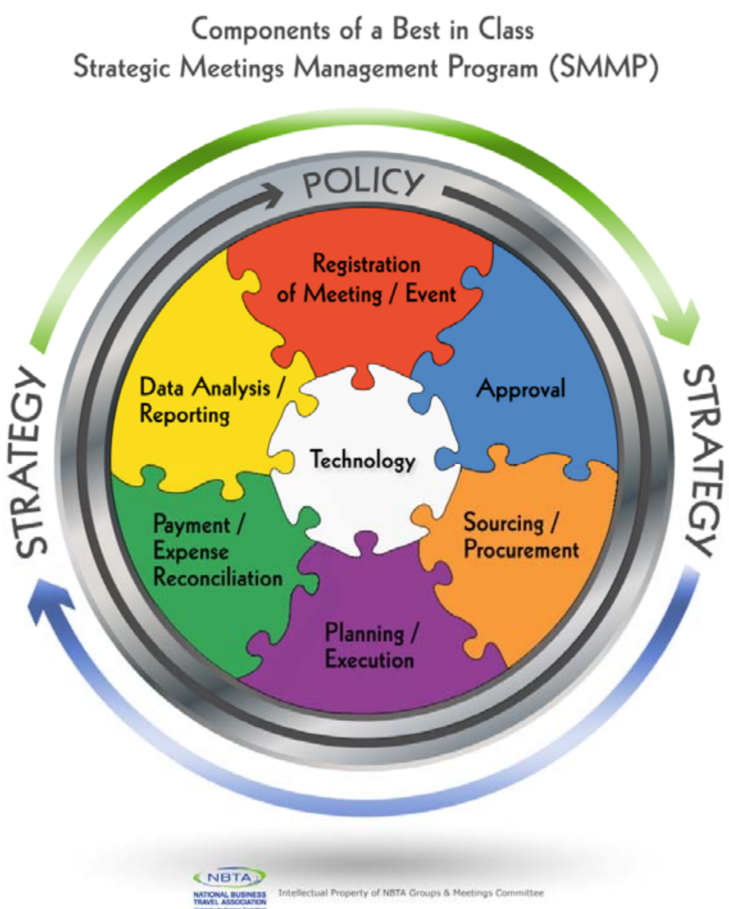
As is the case with any major corporate initiative, education is the key to the success of the project. Education within a large corporation requires a multi-faceted approach, including live and online training sessions held in various locations over a predetermined span of time, usually a year or more. Development of a comprehensive meetings and events website complete with meeting policies, SOPs, instructions, resource contact lists, tools and templates is another medium for education. Closely related to education is marketing of the SMMP. Email blasts, newsletters, "lunch and learns," and letters from the executive sponsor are all means of marketing and communicating the program's merits.

Once the momentum around adoption builds – usually at least a year into the implementation –

another review of the program occurs and improvements are brought forth based on lessons learned to date. Program refinements and enhancements are pursued, sometimes requiring a shift in the project's course. So, it is important to recognize that an SMMP initiative is a journey, not necessarily a destination.

Best Practices Flow – Components of an SMMP

Once an organization has a firm grasp on the SMMP's desired outcome, a phased or concurrent process should be outlined to determine just how the pieces (below) will be positioned and fit together. Although strategic meetings management may be a relatively new concept for an organization just embarking on the journey, this approach has been deployed successfully by many companies over the last decade. While each company may have chosen a different starting point and may quantify success differently, there is a flow or ordering of steps that is considered best practice. We will present this flow herein; however, despite the fact that the industry accepts this flow as best practice, the prioritization given to each SMMP component by an organization will steer the course of implementation. Ideally, a comprehensive SMMP initiative touches all of the components illustrated in the sphere below, yet a company may decide that some of the components are not worthy of inclusion in its initiative.



In the following section, each component of the best practices flow is addressed with key tasks linked to business rationale. This flow example may serve as the basis from which company-specific flows are designed. Sample strategic meetings management work flows are available at www.nbta.org/Research/WhitePapers#meetings.

Registration of Meeting or Event

The purpose of registering a meeting is to gain knowledge of an impending meeting or event at a point where decisions can be impacted in a way that supports strategic objectives. Prior to detailing a registration process, it is imperative that a company outline what meetings are in scope for this process. In other words, for the purposes of meeting registration, what defines a meeting? Because both airlines and hoteliers historically have applied discounts to "groups" of 10 or more attendees, many companies begin with this measurement. An example of a meeting definition would include a combination of total attendees and the measurement that is meaningful for supplier discounts: "A meeting is a gathering of 25 or more XYZ associates for which at least ten attendees require an airline ticket OR an overnight hotel stay." Consideration should be given to the potential volume of meetings being registered, as well as human and technological resource availability. The goal is to choose a definition designed to capture enough data to be meaningful but not so much that it takes excessive resources to support.

Once the definition is established, the level and amount of data required to register a meeting must to be addressed. Just how much data is necessary depends upon the specific goals of each company. As with many parts of this process, in order to maximize adoption and minimize strain (change management) on the planning community, careful consideration should be given to the data required to register a meeting. Because meeting registration data is the source of many meaningful enterprise level reports, be selective with field requirements and normalize answers using drop-down selections, multiple-choice and yes/no responses.

A key component of meeting registration is budgetary detail. One of the most common points of debate around meeting-related spend is exactly what comprises the total cost of a meeting, and how it is organized. Once you determine which cost categories will comprise the total cost of a meeting, a budget template should be created to standardize budget data submitted by planners or meeting owners. Typical cost categories include but are not limited to air, hotel rooms, venue or meeting room rental, food and beverage, audio-visual, ground transportation, production, destination management company fees, meeting management company/consultant fees and miscellaneous expenses. One template used by professional planners, occasional planners and meeting owners alike will guarantee consistent budget data from which to consolidate spend and savings reports.

While the primary goal of meeting registration may be to capture vital meeting data, do not underestimate the opportunity that this process provides. Perhaps certain business units require several levels of approval prior to planning a meeting. This is accomplished easily at the point a meeting is registered. This process also can support identification of meetings/events requiring strategic requests for proposals or requests for information. Information obtained from meeting registrations may be distilled for specific uses. Some examples in practice today are to provide oversight to compliance officers responsible for regulatory guidelines; to facilitate the issuance of approved payment vehicles (credit cards, POs); to prompt the analysis and planning of group air travel; or to engage corporate security when an event is taking place in a country where additional security is necessary. Automation of the meeting registration process is critical to its success. There are many systems available that streamline and significantly reduce human resources necessary to support the meeting registration process.

The registration of meetings likely will require significant change management for meeting planners, sponsors and owners. Given this fact, it is common for planners/sponsors/owners to attempt to find a way around the standard process. The most successful SMMPs require meeting registration and approval to be secured prior to beginning the logistical planning of an event. Best practice suggests that a unique number, or meeting ID, be assigned to each meeting once it has been registered and/or approved, indicating to internal stakeholders and to external suppliers that the next phase of the process may begin.

Approval

Implementing a comprehensive SMMP may require significant change from the current state. This includes an often-overlooked approval step prior to embarking on the meeting planning process. There are various types of approvals required, including budgetary approval (has the meeting been budgeted for, does it meet budgetary requirements?); financial approval (does it makes sense to spend money on this meeting?); and compliance or regulatory approval (does the meeting comply with industry-specific regulatory guidelines or laws, SOX regulations, or other company-specific compliance requirements?).

In most companies, when a planner is asked to begin working on a meeting or event, two assumptions are made: (1) the business owner making the request has the authority to initiate the planning, and (2) the planner has the authority to act on the request. Best practice recommends that approval to request and plan a meeting is granted at a level higher than both the business owner making the request and the planner.

While this can be accomplished in a variety of ways, we have chosen to detail two very different methods of gaining this approval. The first method entails a simple extension of the meeting registration process outlined above. Once a meeting registration form (also known as a meeting request form) is completed and signed by the business owner, the planner submits the document to the appropriate next level of management (e.g., senior manager, budget manager or executive) for a signature indicating approval. Only registration forms with the appropriate approval signatures are acted upon.

The second method requires little initial oversight by approvers. When the meeting registration form is submitted to the planner, approval is assumed and the meeting is added to a monthly executive summary report. This report includes key metrics across the company and clearly divides meeting activity by group, business unit, department, region, etc. The goal is to provide data to senior or executive management in a manner that enables them to easily spot trends or spikes in meeting activity with enough regularity to intervene and alter plans when necessary.

In either case, approval is designed to capitalize on the opportunity that exists to step in front of the meeting planning and sourcing activity to impact the cost of meetings before commitments have been made and contracts have been signed.

Sourcing/Procurement

Once the meeting registration/approval process is complete, the next step is sourcing and selection of all suppliers necessary to support the delivery of the meeting. There are several sourcing delivery models in use today, including a dedicated sourcing/procurement department or individual, use of third-party suppliers for sourcing services, outsourcing of the dedicated department/individual to one supplier, sourcing by the planner or any combination of the above. Best-in-class practices suggest that sourcing be managed by one centralized, dedicated department or individual, either internal or external (supplier), who is responsible for leveraging the corporation's entire meeting-related spend. This keeps the accountability for this activity separate from planning operations. In other words, the model allows planning professionals to plan and sourcing or procurement professionals to source. In some environments these functions overlap, making collaboration essential to program success.

Inherent in the quest to improve leverage across meeting-related commodities is the need to have data that supports the overall sourcing strategy. Without adequate data regarding which suppliers are being used and to what extent, critical decisions may be made based on faulty or inadequate data.

When evaluating sourcing strategies, it's important to differentiate between meeting-specific sourcing and the strategic sourcing efforts associated with preferred SMMP suppliers. The former is the more tactical practice of procuring suppliers on the basis of an event's specifications. The latter, which requires a broader approach, is intended to identify and ultimately select suppliers who will serve as strategic partners.

Preferred SMMP supplier negotiations usually encompass a formal RFP process whereby strategic objectives and requirements are defined and suppliers are chosen based on their response to the RFP. A preferred supplier relationship is usually formalized with a Master Services Agreement (MSA) which documents the terms, conditions and financial implications associated with the relationship. They are usually longer-term, one-year or multi-year agreements, and often contain a Service Level Agreement (SLA) component to ensure client satisfaction. Some of the most common types of suppliers engaged in preferred supplier relationships with corporations are meeting management companies (MMCs), destination management companies (DMCs), group or convention hotels/hotel chains, conference centers, audio-visual companies, production companies, and gift/premium/incentive firms. For global programs, it may be necessary to establish regional preferred supplier lists to augment those who are considered “global” but may not cover all geographic regions. Generally speaking, corporations will strategically source their highest spend or commodity categories first, in markets or regions where they have the highest expenditures.

Sourcing is comprised of three key activities outlined in more detail below:

1) Supplier Identification/Selection
2) Negotiations
3) Contracting/Risk Management

Supplier Identification/Selection

During the discovery phase of developing an SMMP, research should have been conducted to identify companies currently receiving a significant amount of business in key commodity areas. Which airlines are used, and are they different from those used for individual travel? Does one hotel chain receive the lion’s share of meeting-related volume? Is the company using any outsourcing partners (e.g., MMCs, DMCs, AV/production companies)? Suppliers who are considered “preferred” already or with whom MSAs already exist must be identified. Then, depending on the terms of the agreements in place, it may be necessary to review and even renegotiate those agreements. These suppliers represent a good opportunity for a company to begin leveraging company-wide volume in order to negotiate improved terms/pricing based on this new or increased volume. It also might be necessary to conduct a comprehensive request for proposal (RFP) process designed to reduce the overall number of suppliers and execute new MSAs as a result.

During supplier identification, the company also should determine if any attrition or cancellation credits exist that may be reused. If so, the application of these credits should be given top priority. Because credits typically have an expiration date, the company should focus on using these prior to engaging any new suppliers.

Meeting policies detailing the appropriate use preferred/contracted suppliers and when it is acceptable to use a new (or out of network) supplier must be written. Due to the unique nature of corporate meetings and events, a single source strategy likely will require allowable exceptions. Some corporations deploy a formal process and even require business case development for planners to request the addition of suppliers to preferred lists.

If a company decides to mandate bidding for all commodities and for every meeting/event, it is recommended that standards, processes, tools and templates be built to support this process. If a company mandates a formal RFP for the hotel selection for every meeting, adequate resources (internal or external) should be available to manage the impending workload.

Supplier selection is another area where the analysis of quality data is a necessity to ensure the success of a mandated process. Effective policies and procedures will enable a company to begin painting a bigger picture of meeting-related supplier usage. With this perspective, further savings and process improvement opportunities can be identified.

Negotiations

Once suppliers have been identified, the negotiation process begins. The availability of resources potentially will drive where and how these negotiations occur. Some companies divide the responsibility for negotiating so that the planner negotiates the business terms (meeting requirements, pricing, concessions, etc.) and the sourcing professional or legal group negotiates the legal terms and conditions.

A best practice for negotiations entails simultaneously engaging more than one supplier. This allows the negotiator to ensure all suppliers bring their best offers (rates and concessions) and eliminates the need to start over should a negotiation with one supplier fall through. This is also a good place to begin to track identified and negotiated savings. Traditionally, only sourcing professionals were responsible for reporting negotiated savings. In a process that closely manages the flow from registration to negotiation to contracting, planners also can track and document savings or cost avoidance, and this information can be combined with other savings sources.

Contracting/Risk Management

In many companies today, sourcing decisions are made within business units and contracts are signed by individuals who are not authorized to enter into binding agreements. This exposes the company to unnecessary risk and reduces their ability to capture meaningful meeting data. While many procurement departments have initiated centralized contracting, most have not extended this best practice to the meeting arena. This opportunity to minimize risk and gather critical data at the time of decision should not be overlooked. If a central procurement group is responsible for both reviewing and signing contracts, this process can be expanded to include the legal review desired by some companies. The development of pre-approved meeting contract templates minimizes the need for multiple rounds of review prior to finalization with the supplier, thereby greatly reducing the time required for contract execution. Again, for global programs it may be necessary to develop regional contract templates to address the unique requirements of certain geographic regions.

Some companies also have seen great success in implementing their own commodity-specific agreements, such as Hotel Contracts and Speaker Agreements. The use of boilerplates like these assists in standardizing contract terminology and minimizing the time to contract execution. Additionally, the use of standard terms and conditions helps to minimize contractual risk to the company. In any case, work with the legal department that has responsibility for meeting-related contracts to ensure that any templates or boilerplates developed comply with both industry and company terms and conditions.

Planning/Execution

In theory, supplier selection and contracting tasks are completed prior to planning. In reality, planning activities take place throughout the entire process, although the majority of the work occurs once contracting is complete. At this stage, the components of the program and logistics begin to gel and the very detailed work to prepare for delivery of the meeting takes place. Planning may be managed by internal planning professionals, external suppliers, and/or other internal associates who are not full-time, professional planners but occasional planners. During the discovery phase, a company will have determined what type and how many planners exist in the corporation, as well as how often meetings are outsourced to suppliers and to which companies.

There are several keys to success during the planning phase. SMMP leadership should ensure that policies and procedures the planner(s) must follow are documented clearly and easy to reference. In addition, it is critical to clearly define roles, responsibilities and expectations of SMMP leadership, meeting planners and suppliers. Recurrent training and support for key aspects of the SMMP is suggested for any new planners or existing planners who are not aware of the process, or during phases of the program in which key updates to the guidelines and policies are made.

NOTE: This section was not written to address the operational and tactical process steps required to plan a meeting, but rather to convey the key role of planning in the overall flow of an SMMP.

Payment/Expense Reconciliation

Payment means and vehicles can be as important as your processes and policies to an effective SMMP. If a corporation is able to limit the methods of payment for meeting-related expenses – for example, all hotel payments must be allocated to the appropriate meeting ID number, hotel-related general ledger account or budgetary code in order to be paid with one central form of payment (e.g., meeting purchasing card or purchase order) – the company's ability to run consolidated spend reports and subsequently evaluate expenditures is greatly increased. It is suggested that a thorough review and, if necessary, redesign of general ledger or budgetary codes be completed prior to launching the initiative. This entails a careful review of the current schema for allocating budgetary dollars, elimination of redundant or vague codes, and the development of a concise list of codes with descriptors that will assist planners and other associates in correctly coding budget line items and paying meeting-related expenses.

All the tools and processes designed to support the goals of the program should work in tandem to provide the least amount of exceptions possible. Data is critical in this endeavor and the fewer chances an associate has to work around the system, the better the data integrity. From quality data, more sensible processes, policies and strategies are the outcome.

Data Analysis & Reporting

Data analysis and reporting is important at the meeting level, yet probably more significant at the enterprise level, with consolidated reports including all meeting data for meetings/events over a period of time. These reports call out trends which justify decisions and subsequent actions. They measure the program's progress, monitor compliance by end users, and point out areas of strategic opportunity. Consolidated reports are shared with senior executives and business leaders to provide ongoing justification of the SMMP business case by demonstrating program ROI. The following list is just a sampling of the types of reports most frequently used by SMMP practitioners. These reports often are broken down by organizational segmentation (i.e., division, business unit, functional area) and by type of meeting/event. For global programs, each of these reports also may be run at the global, regional, country and/or market levels.

Service-Related

- Attendee satisfaction
- Meeting sponsor or owner satisfaction
- Progress towards service level agreements with customers, stakeholders and suppliers
- Key Performance Indicators
- Cycle time to completion

Financial

- Total meeting/event spend
- Total savings and cost avoidance
- Savings recognized by moving to Virtual Meetings
- Unmanaged spend and compliance to policy
- Preferred supplier usage savings
- Penalties incurred and reused
- Cost per person, per day statistics
- Cost of meeting resource as a percentage of total meeting costs managed
- Supplier spend and savings
- Group air spend and savings
- Program costs vs. savings vs outcome – ROI calculations

Volume

- Number of meetings held, cancelled and denied approval
- Virtual meetings held in contrast to face-to-face meetings

- Advance notice timeframes
- Number of attendees for face-to-face and virtual meetings
- Meeting durations
- Group air bookings and advance purchases

Resourcing

- Staffing hours used vs. required
- Forecasted workloads
- In-sourced vs. outsourced hours
- Staff designations
- Staff training
- Participation in rewards and feedback programs

At the meeting level, once a meeting has been finalized, comparing the actual data with the planned or anticipated outcome can indicate areas of opportunity, illustrate the value of advanced planning and assist in the refinement of tools and methodologies. While measuring the return on investment for meeting-related expenditures can be challenging, doing so provides insight into the success factors for an event or points out areas that may be improved upon. During the reconciliation process, it is useful to apply a set of common metrics from which to “measure” the meeting. Examples of such metrics are cost per attendee; percentage of total meeting cost for key commodity areas such as lodging, food and beverage; and supplier fees. When applied over time, these per-meeting metrics also can identify trends and further opportunity to drive cost savings and process improvements.

Technology and Policy

Central to the quest for continuous improvement in any SMMP are the two components running throughout the best practice model: technology and policies.

Technology that supports most of the activities outlined as best-in-class is readily available in today’s marketplace. Over the past five to ten years, these technologies have matured such that they provide support to best practice flows and can automate once manual processes, eliminating paperwork and delivering efficiencies. As mentioned earlier in this paper, technology is often first deployed to automate the meeting registration and approval processes, as well as their related workflows. Today’s systems include functionality to do the following:

- Capture meeting data in a central repository
- Automate workflows with notifications or alerts to stakeholders when tasks or reviews need to be completed
- Facilitate vendor and/or hotel selection, sourcing and contracting processes
- Manage all facets of attendee communications and registrations
- Manage meeting budgets and financial reconciliations
- Provide consolidated reporting of meeting activities and statistics

These technologies allow companies with a broad base of planners – even those with a large geographic distribution – to join in a virtual marketplace designed to support their work while driving compliance to processes and standards for the corporation. Best practice suggests implementing one technology platform suitable to all users, in all geographies, that can support most of a company’s meeting automation requirements. For global programs, this means selecting a system that supports multiple languages and currencies.

Within the last four years, there has been a significant movement by corporations to develop stand-alone meeting policies. In the past, meeting policies were incorporated into broader travel and expense policies where they were often overlooked. Meeting policies should be written to support and promote compliance to a company’s SMMP.

Major topics that should be included in a meeting policy are as follows:

- Meeting registration and approval thresholds or criteria
- Accommodations
- Air travel
- Food and beverage guidelines
- Guests and spouses
- Use of and interactions with suppliers (preferred and others)
- Venue/hotel sourcing
- Contracting and risk management
- Meeting budgeting and currency conversion methods
- Use of online attendee registration and event websites
- Payment methods and process
- Meeting-related ethics – rewards programs, familiarization and site inspection trips, gifts from suppliers
- Compliance requirements and consequences for non-compliance
- Shipping
- Security

A company's meeting policy should include the same general information as other company policies, such as:

- Definitions
- Policy statement
- Scope
- Roles and responsibilities
- References

Most importantly, when writing a meeting policy, bear in mind company culture and the acceptable use of mandates and absolutes. Be sure to include exceptions wherever applicable. Generally speaking, the language of a successful meeting policy is aligned with other company policies.

Conclusion

This second edition of the original white paper introducing the concept of "Building a Strategic Meetings Management Program" reflects the commitment of the NBTA Groups & Meetings Committee to continually provide current and timely information to its members. In just four years, the adoption of SMMPs has exceeded even the most enthusiastic expectations. Practitioners have contributed towards the global expansion of strategically managed meeting programs. Meeting technology has matured and responded to the increasingly arduous requirements of users eager to stay ahead of meeting attendee expectations. Finally, the bar has been raised with respect to SMMPs, and tactical meeting planning is no longer enough to satisfy the demands of today's sophisticated meeting participants. There is no doubt that in another four years, or perhaps less, we will need to once again revisit and possibly update the information contained in this paper. At least, this is our driving ambition.

Additional Resources

Building a Strategic Meetings Management Program, 2nd Edition, is the latest installment in the *Framework for Success* series written by the NBTA Groups and Meetings Committee. The following additional references referenced in this paper are available as part of the series on the NBTA website – see www.nbta.org/Research/WhitePapers#meetings:

- Strategic Meetings Management Programs, An Executive Summary
- Sample SMMP Stakeholder Needs Assessment Questionnaire
- Sample SMMP Contract Risk Exposure Measurement Tool
- Sample Strategic Meetings Management Work Flows

Other papers in the groundbreaking series include:

- Building a Meetings Policy in Support of Your Strategic Meetings Management Program
- Mobilizing Internal Stakeholders in Support of Your Strategic Meetings Management Program
- Choosing the Right Technology in Support of Your Strategic Meetings Management Program
- Leveraging Group and Transient Spend with Hotel Suppliers
- Evaluating Strategic Meetings Management Programs
- Models of Success

Some of these papers are publicly available, while others are reserved for NBTA members only.

Glossary

For a comprehensive list of industry terminology, refer to the Convention Industry Council APEX Industry Glossary (www.conventionindustry.org/glossary).

Attrition Fees	Attrition fees are fees incurred when there is a shortfall between the actual number of sleeping rooms actualized (or food and beverage covers or revenue projections) and the number (or formulas) agreed to in the terms of the facility's contract. Usually there is an allowable shortfall before fees are assessed.
C-level executive	C-level is an adjective used to describe high-ranking executive titles within an organization. C, in this context, stands for "chief."
Cost Avoidance	An action that is designed to prevent or decrease costs.
Cost Savings	An action that results in savings on a current budgeted project, service or product. Accurately and completely measuring true cost savings as a result of any meetings management program is a complex process, and several measurement models exist.
(Corporate) Meeting or Purchasing Card	Similar to a traditional credit card, it is a corporation's method to pay meeting-related expenses and track expenditures directly through an expense system and/or through online meeting technology.
Executive Sponsor	An executive-level manager who interacts with the project team and acts as liaison with other executives in assuming high-level responsibility to champion, direct and monitor a project.
Meeting / Event	An event where the primary activity of the attendees is to attend educational sessions, participate in meetings/discussions, socialize or

attend other organized events. In the context of this paper, the term is applied generally to include exhibitions and trade shows.

Meetings Policy	A policy usually appended to a corporate policy that outlines guidelines, rules and regulations relative to meetings and events, including elements such as definitions, approval process, meeting registration, contracting and risk management, logistics, payment process and use of technology. It usually complements corporate travel policies. Policies may be mandated or strongly encouraged.
Meeting Management Technology	Technology systems that provide full support to SMMPs by way of consolidating data into one central database and automating meeting processes. Key components include meeting registration, calendaring, online e-RFP tools, hotel information, budgets, attendee registration and reporting.
Preferred Vendor or Supplier	A vendor or supplier that has been approved (usually by procurement and through a comprehensive RFP process) to sell its goods or service to the enterprise. In larger corporations, as it relates to meetings and events, there may be multiple approved vendors who are selected to deliver different aspects or services of meetings.
Procurement	A department, typically reporting to the CFO, whose responsibility is to guide/direct purchasing decisions to ensure the corporation receives goods and services at the lowest possible price with the lowest possible risk and is able to document cost savings, cost avoidance and risk avoidance.
Request for Proposal (RFP)	A formal request to a vendor to submit a proposal to provide a product or service. An e-RFP refers to the electronic version of an RFP created in meeting management technology systems.
Return on Investment (ROI)	Quantitative measurement of the result of any venture by comparing costs (investment) to the benefits (return). As it relates to meetings, ROI is the measuring and reporting on the impact of meetings against predetermined goals. ROI is used to set meeting objectives, collect data from stakeholders, isolate the effects of the meeting, convert data to monetary value and communicate the results to stakeholders.
Risk Management / Risk Mitigation	The process of identifying, measuring, controlling and minimizing risks in an organization to a level that aligns with the value of the assets being protected.
Service Level Agreement (SLA)	A contract or clause within a contract defining the services to be provided and the performance levels required for the fees paid.
Stakeholder	A person who has an interest or a share in the outcome of a project.
Standard Operating Procedures (SOPs)	Detailed, written instructions to achieve uniformity of the performance of a specific function.
Strategic Meetings Management Program (SMMP)	Management of enterprise-wide meeting-related processes, spend, volume, standards and suppliers to achieve quantitative cost-savings, risk mitigation and superior service. Includes matching department goals to corporate values/objectives and using data consolidation and reports to enhance the strategic nature of meetings.