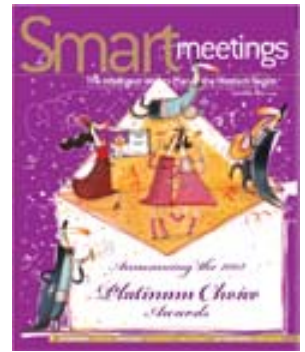


Smart Meetings magazine is the ideal planning guide for business meeting professionals.



## Beyond Logistics

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### **Strategic meetings management benefits both organizations and planners**

Nationwide economic turmoil has turned everything on its head, including mid-year forecasts that meeting planners often count on for the following year. At this time, no one—not even the top economists—seems to know how to stem the tide of red ink. What is for certain is that the corporate market—already limited by tightened reporting rules—is likely to face even more scrutiny by boards, shareholders and the media for their spending decisions.

That's not to say that meetings will go away. That prediction recurs after every crisis, but never has come to pass. But there's already anecdotal evidence of some companies scaling back. The most prominent of those was insurance giant AIG, which took a hit for proceeding with a sales incentive program at the St. Regis Monarch Beach Resort & Spa in Dana Point, Calif. after getting bailout money from the federal government. The company subsequently cancelled another program set for The Ritz-Carlton, Half Moon Bay in October. Elsewhere, a major accounting firm cancelled its plans for a Florida meeting after the market meltdown. So it won't be surprising if more companies exert caution and take a closer look at the "why" of every meeting before it comes to pass.

Enter strategic meetings management, a method increasingly embraced both by those wishing to tighten budgets and those wanting to make certain meetings have a purpose that meshes with the goals of the company or the association.

"The more strategic you can be, the better," says Monica Myhill, CMP, CRP and senior manager of professional education for the American Animal Hospital Association in Lakewood, Colo. Myhill says some planners are still seen as logistics people, making arrangements but not having a say in the content or a seat at the management table. "We can't be that any more," she says. "We have to ask how the meeting can support the organization and achieve its business goals."

Both Meeting Professionals International and the National Business Travel Association have developed strategic meetings management programs (SMMP), coursework and—more recently—a certification in this arena. That tells us that both meeting planners and travel managers are essentially on the same page when it comes to the need for strategic planning. They'd better be.

A 2007 NBTA Groups & Meetings Committee Survey indicated that 70 percent of companies have meetings policies in place—almost double the number who had such policies in 2003. Planners who embrace this approach may be securing a role in company management as well as contributing to the bottom line. "There are benefits for all stakeholders," Myhill says. "If you think strategically, it will improve the bottom line and the experience for attendees."

### **Definition Please!**

The NBTA defines strategic meetings management as “management of company-wide meetings-related processes, spending, standards and suppliers to achieve quantifiable cost-savings, risk mitigation and improved service.”

MPI’s definition goes a bit further. The MPI Strategic Meetings Management Handbook notes, “Aside from cutting costs and eliminating duplication in meetings and travel programs, strategic planning allows meeting professionals to deliver better value for the money and time spent by aligning conferences and events with their organizations’ core objectives.”

That’s a mouthful, but the end result is the same: if you don’t know why you’re having a meeting, you probably won’t know if you accomplished anything. “We’re asked to have measurable objectives for performance reviews and in other areas, but people don’t seem to see the need to do it for meetings and events,” Myhill says. “If you don’t do it, how do you know whether or not your meeting is successful?”

### **Why Now?**

So why is there a big push to begin this process now? The flippant answer is because it’s time. That might also be fact. Let’s face it, the meetings industry is evolving into higher standards of professionalism, and strategic planning is one tool to use toward that end. Myhill, who conducts CMM training programs for MPI on objective-setting, says planners also are likely to be held to a higher standard of accountability in today’s economy. “If we can prove the value of these meetings and events, they’re less likely to be cancelled,” she says.

NBTA members asked the association to develop a strategic meetings management program in response to employers who wanted to add meetings management to travel management duties. Typically, that stemmed from a desire to align meetings with company strategy, control costs and quantify the return on the investment in those programs. But it also stemmed from increased government oversight.

According to the MPI Future Watch 2008, 20 percent of all corporate planners said government regulations are a concern, but that jumps to 42 percent of pharmaceutical planners, 30 percent of insurance planners and 25 percent of financial and other healthcare planners—industries heavily affected by Sarbanes-Oxley requirements (SOX). Roughly half of corporate planners say they have been affected by SOX. Having strategic meetings management programs in place helps to mitigate the risk of fines, audit problems or lawsuits associated with unmanaged spending.

### **What to Include**

Some of the components for a strategic meetings management program suggested by NBTA include:

Cost controls, financial objectives and clear definitions of program savings and cost avoidance.  
A meetings policy that sets consequences for noncompliance and sets enterprise-level meeting data requirements to ensure comprehensive consolidated reporting.

One meeting management technology platform to manage key aspects of an SMMP.

A consistent approval process for meeting expenditures, preferably one that is automated to ensure compliance, speed processing and provide an audit trail.

Tools and guidelines for planners to ensure compliance with program objectives and encourage best practices.

A method of reporting and analysis that will measure a program's return on investment (ROI), track program savings and funding, monitor compliance, and establish or validate spend/cost benchmarks.

A method to measure customer satisfaction.

### **How to Get There**

Holly Green, CEO and managing director of San Diego-based The Human Factor, says that developing a strategic meetings program is similar to the process used to develop a company's strategy. The bottom line, she says: "What does it look like when you get there?"

For meetings like a recent global program Green staged for 300 people, she takes that question one step further. "What does it look like in three months? Six months?" she asks. If there's no change, then there's no reason to have the meeting, she says. "It's critical to define the destination in terms of where you're going."

Before you begin work on your strategic meetings management program, you should clarify your own goals and objectives. SMMP has the potential to transform your organization and your career. But you're more likely to appreciate the result if you start out with a clear vision of the future you want. MPI provides an outline of steps needed to work toward a strategic meetings management goal. The recommendations include:

Understand the strategy and goals—both for the company and the meeting at hand. As the handbook notes, strategic meetings management isn't a spectator sport, so you should bring in as many people as possible to define these strategies and goals.

Identify the core competencies of your department. Today's priorities may end up being outsourced once you begin to plan strategically, so know the strengths and weaknesses of your group.

Draft a preliminary plan that will make the case to top management about what this program will do, how, and why. Illustrate how current practices don't achieve the same goals.

Identify other partners, such as your procurement department, that may be able to help you identify vendors or venues or help you create a checklist to evaluate those partners.

Identify the right technology tools that will help you achieve the objectives of the program.

Identify ways you will measure the results—the heart of the program. What will success look like? Green suggests adding another element to that—asking what success will look like from your vendors. How will hotel staff treat your attendees? How will employees behave at the

event?

Assemble your objectives, priorities and research into a final business plan (see Smart Resources, page 35) It's a worthy guideline, but it's also important to remember that different situations might require variations to the approach. "There's no one right way to do something," Green says. "Know that no matter what you choose, there's no one (method) that's perfect."

### **Long-Term Plan Essential**

In today's fast-paced world, long-range planning might mean next week. But as is evident from the scope of the guidelines above, building a strategic meetings management program isn't a one-week process.

Frost & Sullivan, a consulting firm with offices in Mountain View, Calif., develops its strategic approach for global training programs one, two or even five years out. Programs include a Growth, Innovation and Leadership Executive Congress, plus the Executive MindXchanges for sales and marketing, new product development and customer service.

Brian Fitzpatrick, vice president and general manager of the events division, says the company currently is rolling out its Growth, Innovation and Leadership Executive Congress program in 2009 to London, Sao Paulo, South Africa, Dubai, India, Singapore and Tokyo, as well as expanding the current North America program. Planning for those started years ago.

Why the long lead time? For starters, the locations are strategically selected on the basis of previously developed business plans. "We do business plans on every product and event we put out that are reviewed up to the board level," Fitzpatrick says. "We use expertise from every sector of the company."

In addition, the firm leverages local expertise at global offices to look at economic reports, ascertain the most effective program formats for the region and explore the pool of locals who could do presentations before deciding to launch in a new region. "Localization of content is imperative," Fitzpatrick says. "You can't just use a template."

The stakes are high. Frost & Sullivan's clients are high-level executives who expect high-level planning. If a program succeeds, these clients may sign up for other programs or encourage others to do so. To measure the success, Fitzpatrick's firm conducts debriefings with sponsors, clients and speakers after the program. They get written evaluations on every interactive session from both delegates and presenters. "We ask ourselves if we delivered value for the money and if we managed within budget," he says. Then they look at whether the forecast for the program was accurate, and what other business it brought in.

The system pays off. From a cost-control standpoint, Fitzpatrick says the firm has performed at 22 percent under cost control plans over the past five years. That makes the long-range planning worthwhile.

### **Different Strokes for Different Folks**

Companies at different stages of development in their strategic meetings strategy may approach the goal in different ways. A few of these examples are provided in NBTA's "Models of Success," and include Norwalk, Conn.-based Xerox Corp., which has more than 53,000 employees and operates in 160 countries; and Scotts Miracle-Gro of Marysville, Ohio, which has 6,000 employees in the U.S. and three European countries. Xerox has a mature program, while Scotts has just begun to implement SMMP.

In 2004, Xerox started its initiative to automate meeting practices in the areas of registration and venue procurement. At the same time, those scheduling internal meetings were asked to improve the way they used internal conference facilities. The goals included increasing advanced registration and air-travel bookings to cut costs and reduce attrition, thus driving down per-attendee cost.

The company partnered with preferred event management companies in addition to its own meetings staff members. The outside companies can recommend using internal facilities and are encouraged to offer virtual options where appropriate. They also can sign venue contracts up to a specified dollar level. Xerox's corporate culture is one where mandated policies prevail, making it easier for them to make some of these changes.

Scotts Miracle-Gro is in the early stages of developing a strategic meetings management program. Its first steps were to centralize meeting sourcing and contracting. But they soft-pedaled the program by encouraging people to use the new method rather than mandating it. Next the company plans to implement noncompliance consequences; it also will launch a communications effort to educate and provide tools to those who only occasionally plan meetings to ensure that the new procedures and best practices are followed. The company measures the success at each stage before moving on toward additional goals for strategically planned meetings.

These differences are reflective of the longevity of their programs; both companies emphasize cost controls and offer some sort of meeting support services. Other differences clearly illustrate how a strategic meetings management program evolves over time rather than being implemented as an abrupt change. For instance:

Xerox uses SMMP for U.S. and Canadian meetings and is moving into the global arena. Scotts uses its program only in the U.S.

Xerox has centralized contracting, logistics support and meetings management, while Scotts has only centralized sourcing and contracting to date.

Xerox outsources everything to one or two suppliers; Scotts manages everything internally. Xerox policy is mandated, while Scotts has only a soft mandate at this time.

### **Suppliers Get On Board**

As meeting planners increasingly implement SMMP, smart suppliers also are taking note. Gaithersburg, Md.-based Sodexo Conferencing is a conference center operator that's getting in on the act.

Susan Armentrout, regional director of sales and marketing for Desert Willow Conference Center in Phoenix, says the venue has several large accounts that are required to use SMM programs and tools such as StarCite for procurement. “We have to use their tools; otherwise we can’t land the business,” she says.

As a result, Armentrout has started asking prospective clients how they procure meetings in order to make sure that Desert Willow can be in the running. By partnering with those who use SMMPs, Sodexo properties like Desert Willow, Black Canyon in Phoenix and San Ramon Valley in California have been able to land more than \$500,000 in business using this process.

“The larger companies who have instituted these programs usually have a CFO who understands the efficiencies involved,” Armentrout says. “This trend is gaining momentum with large clients and association business and (we think) more people will be embracing it.”

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