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MEETING PROFESSIONALS INTERNATIONAL

**360 Degrees of Partnership: Uniting Planners and Suppliers Through Collaborative Business Processes in Strategic Meetings Management Environments**

A Position Paper\* from Meeting Professionals International's  
Global Corporate Circle of Excellence

Meeting planners worldwide are rapidly adapting to the new business model in which powerful partnerships—with both internal and external constituents—are integral to an organization's strategic success. One especially vital process for many corporate planners is the development of a strategic meetings management program, simply defined as an overarching business plan that aligns with a company's unique mission, vision, landscape and culture.

A corporate meeting planner's role now comprises much more than logistics—it involves strategic management, through which planners utilize their companies' cultures and values as frameworks for more successful meeting outcomes. A solid meetings management program incorporating key elements of business is what ultimately differentiates a strategic, influential meeting director from a logistics-oriented meeting planner.

In its most recent position paper, MPI's Global Corporate Circle of Excellence articulated eight critical steps that meeting planners can take to create strategic meetings management programs within their organizations. Through this comprehensive process, meeting planners can better understand their organizations' goals and ascertain how their work supports them.

One of the most important elements of program development is its fourth step: *Identify types of external partners, utilizing internal stakeholders' core competencies, to facilitate contracts and supply chain management. Collaborate to consider a variety of*

*preferred-vendor relationships for financial and process efficiencies.* In an evolving global business environment where procurement departments play an increasingly vital role, executives expect that corporate meeting planners will achieve cost reductions and efficiencies by consolidating their expenditures with a short list of approved vendors. In addition, utilization of preferred vendors as part of a strategic meetings management program maximizes process efficiencies by, for instance, simplifying RFPs and contracts, streamlining day-to-day tasks and increasing volume savings and discounts.

As more and more organizations abandon traditional, linear business models in favor of organizational matrices, meeting professionals must meet day-to-day expectations while learning new ways of doing business together. In short, planners must involve suppliers to achieve successful outcomes. Meeting planners involved in strategic meetings management can engage suppliers with the assurance of cost reductions, process improvements and the continuing drive to develop best practices. Suppliers, meanwhile, can benefit from the opportunity to streamline project management, reduce administrative costs, consolidate multiple small assignments into larger preferred vendor agreements and learn strategic meetings management practices and habits of mind that may be applicable across a broad range of prospective clients.

The strategic meetings management environment strongly influences what constitutes a mutually beneficial business relationship between a company and a vendor. Savvy suppliers are adjusting (along with their planner colleagues) to this way of doing business and view preferred-vendor agreements as opportunities to continue and improve existing relationships. The power of planner-supplier partnerships has never been so evident.

In the rapidly evolving global culture of business, two things are probably true. On one hand, *the future is clearly not what it used to be.* On the other, for meeting professionals who are willing and able to embrace the challenge of strategic meetings management, *the future has never been brighter.* Planners and suppliers alike are learning the language and adopting the techniques of strategic meetings management to align with what has quickly become a standard business practice in many organizations.

This position paper emphasizes the importance of uniting planners and suppliers through collaborative business processes in strategic meetings management

environments. It identifies possible barriers to success—and how to avoid them—but focuses principally on what both planners and suppliers stand to gain from enhanced partnership approaches and how they can implement them for maximum benefit.

### **Potential Barriers to Success**

Rapid change almost always generates a degree of discomfort, and the trend toward strategic meetings management has not been impervious to criticism. Planners and suppliers alike have expressed a number of concerns about the impact this trend could have on established business relationships and practices.

For meeting professionals and their organizations to fully benefit from the transformation of meeting processes, professional colleagues must share perspectives and develop their own positive experiences with a new way of doing business. This will help alleviate concerns about several potential barriers to success.

- **Too much paperwork.** Some meeting professionals fear that new procurement practices will bury professional judgment and initiative under an avalanche of paperwork, purchase orders and standardized reporting. Practical experience shows that effective measurement and reporting *in the language of business* is a crucial first step in demonstrating the value that meetings bring to the table, and that increased effort devoted to recording details and reporting outcomes is likely to be offset by streamlined contracting procedures. The net result is that *the nature of the paperwork changes*, as meeting professionals gradually assume more senior strategic roles on behalf of their organizations.
- **Emphasis on cost containment.** At first glance, many meeting professionals may mistakenly assume that strategic meetings management is synonymous with procurement processes or is strictly about driving down costs, regardless of any impact on a meeting's outcome or its alignment with organizational objectives. While cost control is certainly a motivation behind this shift, proponents also see it as an opportunity to establish and meet rigorous quality standards by asserting and demonstrating the strategic value of meetings and

events. One challenge for planners and suppliers will be to capture return on investment and objectives in ways that parallel the more traditional quantitative measures of meetings expenditures and savings, particularly for events designed to generate longer-term benefits.

- **Differing value systems.** Early in the establishment of a strategic meetings management program, it might appear that meeting planners and procurement professionals approach the process from differing value systems. Planners and suppliers frequently argue that bulk-buying systems suitable for purchasing paper, pens or widgets are not nearly adequate to capture the judgment and creativity required to align a meeting with organizational strategy. Once the parties enter into a serious dialogue, however, it becomes clear that the participants are actually interdependent. Procurement has the process expertise to help streamline a meeting or event's routine aspects. Meeting professionals excel at more strategic planning functions and can help procurement orient central control and reporting mechanisms to emphasize value and return on investment on par with cost containment. This interaction within client organizations will clearly favor suppliers with the capacity to deliver strategic value in a way that reflects the specific needs and objectives of each event.
- **Impact on professional relationships.** Planners and suppliers may fear that long-standing business relationships will be jeopardized by standardized contracting procedures. In the best of situations, a preferred vendor agreement can become an opportunity to continue and improve an existing relationship, but there are no guarantees—especially at the front end of the process. Inevitably, some suppliers *will* lose market share, though they are more likely to gain from the transition to strategic meetings management if they can develop their capacities and adapt to the new reality.
- **Loss of control.** For anyone who has been accustomed to being the first point of contact with the meeting supply chain—whether the individual's specialty is meeting planning or travel management—there may be some concern that strategic meetings management will translate into a loss of control or job

security. (Ironically, professionals in the meetings and travel industries may worry that they will lose control to each other, underscoring the importance of the continuing dialogue and partnership between MPI and the U.S.-based National Business Travel Association.) Here, again, strategic meetings management represents an opportunity for meeting professionals to work with procurement and demonstrate the unique value they bring to their organizations. The implementation of service-level agreements with preferred suppliers may also be a tool for meeting planners to retain some control over the process.

### **Strategic Meetings Management: What Planners Stand to Gain**

Many planners, particularly those in the corporate sector, have had opportunities to explore the potential benefits of procurement through strategic meetings management.

- **Leveraged expertise.** An early step in the development of a strategic meetings management plan is for the meetings department to identify in-house partners—including procurement, legal, finance, and travel management—and leverage the expertise that each can contribute. A high degree of collaboration and buy-in will contribute to the smooth introduction of a successful transformation in which meeting professionals are seen to be leading, rather than following or even obstructing a process that originates elsewhere in the organization.
- **Cost reductions and efficiencies.** The most immediate expectation in a strategic meetings management environment is that planners will achieve cost reductions and efficiencies by consolidating their expenditures with a short list of approved vendors. There is some evidence that this approach is most effective in specific supplier categories, such as hotels, airlines, ground transportation, audiovisual production and exposition services. Debate also continues about the costs and benefits of hiring smaller, usually local specialty suppliers at lower chargeout rates, rather than centralizing through procurement with more established firms that carry higher overheads. In

larger organizations, the general consensus is that the cost of qualifying a new vendor outweighs the savings to be achieved with small suppliers. Ultimately, many large companies embrace strategies that use a combination of large national vendors and a few smaller, regional, preferred suppliers in different categories for maximum value delivery.

- **Process improvements.** Strategic meetings management can reduce the “process pain” involved in working with vendor organizations that have been accepted into a system. RFPs can be made simpler and less time-consuming to develop, administer and evaluate once preferred vendors are in place, and the opportunity to streamline day-to-day operations means that planners have more time available for strategic, value-added functions.
- **New sources of ideas.** A planner’s working relationships with knowledgeable, experienced vendors can be a continuing source of new ideas and creativity. Suppliers—particularly niche suppliers—are constantly learning new applications for their own specialized products and services and can easily transfer that process knowledge and insight.
- **Enhanced spend tracking.** The introduction of a strategic meetings management plan makes it easier for corporations to track and consolidate their spending on meetings and events. Some global entities have been challenged to integrate their reporting systems across national boundaries, which can also be beneficial to planners in terms of reported savings, growth and cost avoidance.
- **Understanding of regulatory requirements.** Embracing new procurement compliance practices gives corporate planners, in particular, mechanisms for meeting regulatory requirements in specific jurisdictions and sectors. This is one area where inconsistency across national boundaries is virtually inevitable: While planners in the United States must meet the requirements of the Sarbanes-Oxley Act, their counterparts in the European Union find that Safe Harbour provisions limit their access to customer and partner data. (This requirement, in turn, has limited the supply of attendee registration services in the EU to vendors that are Safe Harbour-compliant.) Planners in some

jurisdictions must adapt standard practices to accommodate a patchwork of local, regional and national regulations that have no precise parallel anywhere else. Meeting professionals in the pharmaceutical industry, meanwhile, face a different set of constraints related to sponsorship, product placement and the range of attendees who can be invited to specific events. Whatever the imposed regulations, a strategic meetings management program allows planners to navigate them and anticipate change.

### **Planners: Steps Toward Success**

Planners who position themselves as strategic meetings management specialists within their organizations may stand to gain the most from the program development process. Ultimately, colleagues and senior management may begin to see the meeting professionals on staff as business strategists whose abilities extend far beyond room bookings and refreshment breaks.

Key steps supporting planners' strategic success:

- **Don't wait.** In organizations where strategic meetings management initiatives are already under way or taking shape, planners must not simply wait for the process to happen to them. Meetings departments must step forward as innovators and early champions, both to help shape the underlying business cases and philosophies and to position themselves as a valuable strategic resources.
- **Form partnerships.** In organizations that have not already started to develop strategic meetings management programs, planners have the opportunity to lead transitions to such programs, forming partnerships with procurement, finance, legal, travel services and other centers of expertise that have specific perspectives to offer. Early adopters have the opportunity to set the terms of engagement in a way that places the value of a well-executed event on par with cost containment, and thus earning respect for strategic thinking and foresight.

- **Learn the language of business.** Meeting planners must adopt the language of business and take advantage of opportunities to learn about business measurements, return on objectives and other methods that will enable them to fully articulate the strategic value of meetings and events.
- **Know how your organization works.** A current, detailed understanding of in-house requirements and sourcing practices is an essential element that planners bring to their relationships with suppliers. Planners have a responsibility to articulate the needs and expectations behind an RFP, and it is ultimately in their best interests to provide full and timely information—which enables supplier partners to respond quickly, accurately and in a way that delivers the full value of their own experience and industry knowledge. Planners can achieve this in different ways—and on different levels—depending on the supplier and the context. For instance, while suppliers have a responsibility to educate themselves on client requirements, it makes sense for planners to provide background information that goes beyond baseline data. *A short, standard company profile is an appropriate way of literally putting all parties to a potential business relationship on the same page.* Depending on the client and the event, a product profile could serve a similar purpose. For suppliers functioning more as strategic partners—or evolving in that direction—planners should implement a key best practice and provide detailed briefings on the objectives and underlying corporate culture behind each event. This level of dialogue can be streamlined in a mature strategic meetings management environment, once preferred vendors have had the opportunity to develop a deep understanding of client requirements.
- **Provide feedback.** Planners should be prepared to provide forthright feedback to suppliers who bid unsuccessfully on RFPs. Many senior planners *expect* serious bidders to check back on unsuccessful proposals, but resist the temptation to turn a bid review meeting into a follow-up sales call.
- **Accept constructive criticism.** The most effective planners also expect and welcome honest criticism from their suppliers. No one is too old or

experienced to learn, and sugarcoating is inconsistent with a mature, open business relationship.

### **Strategic Meetings Management: What Suppliers Stand to Gain**

Like their planner colleagues, suppliers also should envision the potential benefits of operating in strategic meetings management environments.

- **Maintained or increased market share.** The most fundamental advantage for a supplier organization—especially the industry’s largest, most established suppliers—is the potential to maintain or increase market share with a client whose purchasing now focuses primarily or entirely on preferred vendors. Global hotel chains and other large supplier organizations can offer volume discounts that are partly or largely offset by scale economies and reduced process costs, all while positioning themselves as early innovators and centers of expertise in strategic meetings management. Suppliers who do not go through the process are guaranteed *not* to get business from a procurement-driven client.
- **Streamlined procedures.** The process efficiencies that make strategic meetings management attractive to planners translate equally into streamlined bidding, approval and reporting procedures for suppliers.
- **Opportunities for self-assessment and growth.** For growing organizations that are on the cusp of meeting the minimum requirements for preferred vendor status, working with corporate procurement departments is a powerful incentive to standardize business processes and to anticipate (and answer) any questions a procurement officer might ask. At best, this process of self-assessment will open the door to sustained business relationships from which the supplier will continue to learn and grow. Even if a supplier fails to win a preferred vendor agreement, the attempt will open the door to in-house insights and efficiencies that will position the business to develop more

gradually, all while remaining nimble and adept at understanding individual clients' needs.

- **Repositioning as subcontractors to preferred vendors.** Many of the specialty organizations that give the meetings industry much of its creativity and spark may be too small to be direct participants in a strategic meetings management initiative for a large company. However, there may be opportunities for those companies to position themselves as subcontractors for the established preferred vendors. The vendors, in turn, may be able to introduce their specialty suppliers to a wider range of large clients. This suggests that, while the mechanism for introducing new talent may be evolving, the opportunities are still out there for entrepreneurs with the insight and initiative to carve out their niche in an evolving marketplace.
- **New understanding of the importance of delivering value.** A challenge for suppliers, large and small, is to clearly articulate strategic value within a process that may appear to be driven principally (or entirely) by an interest in cost reduction. Planners who fully understand the objectives of a strategic partnership with procurement are already on the lookout for suppliers who are driven principally by a commitment to delivering value. Many procurement officers also share that interest.

### **Suppliers: Steps Toward Success**

Suppliers with the resources and experience to function as preferred vendors in a strategic meetings management environment are in a good position to operate as strategic partners to clients with established procurement initiatives. They can also act as advisors, formally or informally, to organizations that may be in the earliest stages of establishing that portion of their strategic meetings management programs.

Key steps supporting suppliers' strategic success:

- **Get informed.** Suppliers must become better informed about the new range of expectations that planners—and, often, their newfound partners in procurement—bring to the table. Achieving new strategic positioning can be

challenging, but can provide a framework for suppliers to demonstrate the tangible value they offer, as well as cost reductions they can achieve.

Suppliers can best support their clients' strategic meetings management plans by helping to demonstrate and reinforce the added value of professional meeting planning services.

- **Embrace the trend.** For smaller, less established suppliers, now is the time to embrace the strategic meetings management trend by becoming familiar and comfortable with the language of business and the expectations that procurement departments bring to the table.
- **Walk the talk.** Suppliers genuinely interested in building sustainable business relationships must be prepared to “walk the talk.” The best strategic fit for a supplier may not be immediately evident to a planner, and it takes time—and attention—to develop trust and confidence. Supplier organizations that are serious about building mutually beneficial partnerships with a preferred tier of major clients may have to de-emphasize short-term sales in favour of longer-term gain...even if it means adjusting quarterly targets to reflect a more strategic approach to business development.
- **Do your homework.** Suppliers should be prepared to do their homework before approaching prospective clients. It is reasonable to expect planners to supply basic project background in support of a stand-alone RFP and more detailed information for preferred vendors. In return, a supplier is expected to be fluent with a prospective client's business before the first phone call begins and to develop a deep understanding of requirements and objectives—coming from procurement, as well as from the meetings department—as the relationship develops. Doing your homework as a supplier also means doing *your own* homework, rather than expecting contacts within a customer organization to act as unofficial guides. Suppliers attempting to introduce themselves in a procurement environment should be prepared to learn the process on their own time, rather than asking planners to explain every step.
- **Make an ongoing, consistent effort.** The homework doesn't end when a business relationship forms or a preferred vendor agreement is signed—that

should be seen only as the end of the beginning. In the new business environment, as in any other partnership, suppliers must make continuing efforts to understand their customers' needs and tailor their offerings accordingly. The most effective, successful suppliers are those who understand that getting in the door with a preferred vendor agreement is just a first step in a continuous process of building relationships and introducing tailored products and services. It is a serious mistake to assume that a signed agreement will lead automatically to a large volume of business, or to the work that is most valuable and interesting to the planner or the supplier. The paperwork simply enables the growing conversations and partnerships that truly add value for all concerned.

- **Don't abandon the value of relationships.** While structures may be changing, relationships still rule. For suppliers, the best approach to customer service is to assume that you *never* stop checking in while an event is under way, and that post-event follow-up must be timely and proactive.
- **Introduce reporting capabilities.** Suppliers increasingly need to articulate their reporting capabilities to data-driven planners. Many organizations still face practical difficulties in tracking meeting expenditures, so suppliers who fully articulate reporting capabilities have a greater opportunity to gain planners' business—and trust. Suppliers who make it easier for planners to work with them substantially increase their values as partners.
- **Follow up.** It is more than reasonable for suppliers who bid unsuccessfully on a project to follow up and find out how they might do better in future—in fact, some planners expect the call.

### **Planners and Suppliers: Committing to the Partnership**

In the annual *FutureWatch 2005* research presented by MPI and American Express, planners and suppliers alike acknowledged how the power of partnerships is increasingly pivotal to their evolving strategic success. In fact, seventy-one percent of all planners and suppliers cited such development of such partnerships as being among their stated professional objectives for the year.

In an August 2005 article about planner-supplier partnerships in MPI's magazine, *The Meeting Professional*, Global Corporate Circle of Excellence co-chair Luca Favetta perhaps said it best: "I don't make a big distinction between planners and suppliers. I see a team working toward a common goal."

By collaborating in environments where strategic meetings management programs are being developed or already in place, planners and suppliers are paving the way for continued strategic success for meeting professionals worldwide.

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\* Members of MPI's Global Corporate Circle of Excellence convened in April 2005 in Frankfurt, Germany, to develop this position paper, designed to help corporate meeting planners understand how they can demonstrate their professional value through the development of a strategic meetings management program. This is the third in a series of position papers to be published on topics vital to meeting planners and suppliers. The first position paper—*The Power of Partnership: Capitalizing on the Collaborative Efforts of Strategic Meeting Professionals and Procurement Departments*—was released in January 2005. The second position paper—*360 Degrees of Influence: Demonstrating Professional Value Through the Development of a Strategic Meetings Management Program*—was released in June 2005.

For more from MPI's Global Corporate Circle of Excellence—including its previous position papers and a toolkit offering many indispensable resources, documents and templates for meeting professionals—visit [www.gccoe.mpiweb.org](http://www.gccoe.mpiweb.org).

#### **APPENDIX: Key Questions Planners and Suppliers Should Ask**

The success of any professional relationship begins with the capacity to ask the right questions of each other. To do better business, suppliers and planners should consider what questions make sense for them.

**Suppliers should ask planners:**

- What is your company's strategic approach in partnering with vendors?
- What are the goals and objectives for this meeting?
- What is the nature of your business, and how does this meeting tie in?
- Can you explain your process for bid reviews (participants, procedures, etc.)?
- What are the issues and competitive challenges in your business that keep you awake at night?
- Do you prefer to communicate by e-mail, mobile phone, land line, or a combination of two or more? What are your preferred hours of work?
- Why didn't I win the bid? Can I ask for the reasoning behind your decision?
- Are you able to hire independent contractors on a temporary basis outside the preferred vendor program?

**Planners should ask suppliers:**

- What are your strengths as an organization?
- How would your overall business objectives contribute to a longer-term strategic alliance?
- Do you have a formal service delivery plan in place?
- What strategic partners and networks do you align with that can benefit our partnership?
- Beyond the strict terms of the RFP, what strengths, ideas, and creativity can you bring to the project?
- Are you, or have you been, a preferred vendor for any of our competitors?
- How does your company stand out from the others?
- Is there anything else you would like to add that has not been covered?

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