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# MEETINGS OUTLOOK™



*While still in a stable seller's market, meeting professionals are dealing with serious issues such as combating human trafficking, gender inequality and, most recently, commission cuts.*

2019 WINTER EDITION

# PROFESSIONAL AND SOCIAL CONCERNS HIGHLIGHT A PERIOD OF GROWTH



## MEETINGS OUTLOOK™

By Elaine Pofeldt

**A**t its annual conference in Orlando, an event for 2,500 people, the online marketing firm ClickFunnels raised more than US\$1 million in less than 72 hours for Operation Underground Railroad, a community of people who travel to some of the world's most dangerous places to rescue children from human trafficking.

Showing *Operation Toussaint*—a film it had commissioned on the group's efforts—and distributing t-shirts and other giveaways to highlight its work, the company based in Boise, Idaho, encouraged attendees to donate to the nonprofit through a series of web pages it set up. The company matched the audience's contributions dollar-for-dollar.

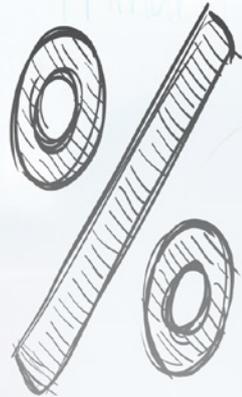
"We know the more light we shine on this horrendous evil, the more scared the traffickers will be to commit the crimes that keep children enslaved, and our reach and impact will be even

greater than the children we personally rescue," says ClickFunnels' CEO Dave Woodward.

With discussion of efforts to fight human trafficking coming out from behind closed doors in the meeting and hospitality industry, creative approaches like this one, to raise awareness and aid survivors, are becoming more common.

In MPI's latest *Meetings Outlook* survey, 46 percent of respondents said their organizations are taking part in activities to stop human trafficking, with an additional 22 percent saying they will do so in the future. The most common approach is training employees in the signs of human trafficking, reported by 17 percent of respondents. Networking with others to grow awareness was the next most popular tactic, used by 15 percent.

"More and more people ask about it and talk about it," says Sian Lea, senior program manager at the Shiva Foundation,



*“Go one step further and return the favor by mentoring others. **Greater change occurs when we work together and share knowledge.**”*

### COURTNEY STANLEY

MPI At Large  
Speaker, Writer and Business Strategist

a corporate anti-trafficking foundation in the U.K. connected to Shiva Hotels that has created the “Stop Slavery Blueprint,” a toolkit for the hotel industry offering best practices and procedures to fight human trafficking. “It takes a few hotels to be the brave ones.” To bring them together, the organization has created the Stop Slavery Hotel Industry Network, an industry group.

However, not every company is jumping on board. Among respondents to the survey, 32 percent said their organizations are not taking action and have no plans to do so.

And there is still a general lack of awareness in the industry about how the trafficking problem is being tackled. Among respondents, 66 percent said they are unaware of what is being done by planners in regard to fighting human trafficking; 68 percent of respondents are unaware of how hoteliers and venues are handling this.

Lea says one reason the survey detected lack of awareness may be lack of communication about existing efforts.

She believes that with the growing number of companies signed up for The Code, there is more anti-trafficking activity than members of the industry may be aware of. The Code is short for The Code of Conduct for the Protection of Children from Sexual Exploitation in Travel and Tourism, an initiative in the industry to provide awareness, support and tools to fight the sexual exploitation of children.

“It’s about communicating about it and being open and transparent,” Lea says.

At Meeting Professionals Against Human Trafficking, founder Sandy Biback, CMP Emeritus, CMM, says planners who want to learn more about the issue can reach out to groups such as ECPAT-USA (Ending Child Prostitution and Trafficking), based in

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Steve O'Malley, Michael Guerriero, and David Peckinpaugh (pictured left to right)  
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## FOR PLANNERS ONLY

The majority of responding planners indicate they have already been or expect to be affected by commission cuts next year—and their No. 1 response is to avoid hotels offering reduced commissions.

### Are you affected, or do you expect to be affected by the reductions in commissions to planners by some hotel companies?

- 24%** I have already been affected
- 28%** I expect to be affected in the coming year
- 48%** It will not affect me

### Has your behavior been influenced by the reduction of commissions for groups and third parties by many hotel companies?

- 48%** Yes, we consider commissions in our decisions
- 52%** No, we do not consider commissions in our decisions

### How is your business adapting to reductions in commissions?

- 7%** Charging our clients for some or all of the reductions
- 14%** Changing from a commission-based model to a fee-based model
- 21%** Reducing our spending to account for lower revenue
- 14%** Changing our business focus to areas not affected by commission cuts
- 14%** Trying to capitalize on new opportunities resulting from other planners changing their business focus
- 57%** Avoiding hotels that have reduced commissions
- 43%** Negotiating more commissions back into our agreements with hotels
- 14%** Continuing as usual – no change

Brooklyn, N.Y., or their local police department's human trafficking division, if there is one.

But they can also do their own on-the-ground research, asking venues where they are booking business if they have a plan in place to prevent and report suspected trafficking.

"It's about asking questions," Biback says.

Biback's group wants to make it as routine to address anti-trafficking efforts in contracts as it is to see the mention of environmental sustainability procedures.

"It's called social responsibility," she says.

One state where the fight against human trafficking is getting heightened attention is California, where two new laws are taking effect. AB260 requires, as of Jan. 1, that motels and hotels post the National Human Trafficking Hotline number in public view. SB970 requires human-trafficking awareness training among employees who are likely to interact with or come into contact with victims. The training must be completed by Jan. 1, 2020, for all workers employed as of July 1, 2019, and within six months for those hired after that date.

The San Diego Regional Human Trafficking Advisory Council/SCEC Advisory Council—which reports to the San Diego County Board of Supervisors—has been working with the city's hotel industry to combat and prevent trafficking in recent years and is now helping hotels to implement the new laws.

The efforts go back to a 2016 symposium sponsored by the Board of Supervisors and San Diego District Attorney's Office, where the organizers gave an overview of the issue and did a preview of free online training—the SAFE Action program, developed by the Sandra Day O'Connor Institute in Phoenix. Sixty hotels sent 350 employees.

"The San Diego area has over 550 hotels, so we recognized we had a long way to go," says Ginger Shaw, vice chair of the San Diego Regional Human Trafficking Advisory Council, as well as executive director of California Against Slavery. She leads the Hotel/Motel Initiative with Deputy District Attorney Mary Ellen Barrett.

"We would love to have meeting planners continue to look to San Diego as a premier location, not only for our beautiful setting, great weather, restaurants and hotels, fun activities and multicultural ambiance, but because we are committed to providing a wholesome, healthy environment for our guests—a SAFE San Diego," Shaw says.

The group followed up with "sweeps" where community volunteers personally visited an additional 100 area hotels, providing them

***"For the future, the industry needs to have an honest conversation about what the impact of commissions is on all of the parties."***

#### **JOAN EISENSTODT**

MPI Potomac Chapter

Principal of Eisenstodt Associates

with the same educational materials that attendees at the 2016 symposium received, she says.

The organizers have since formed another working group to explore how best to help local and corporate hotels fulfill the new laws. The group includes representatives from major hotel chains, the San Diego Hotel Motel Association and the San Diego Regional Chamber of Commerce, as well as the advisory council, nonprofits and the district attorney and city attorney's office.

They are working on designing an industry-friendly poster; holding a training symposium for hotel management and security officers; and developing a SAFE San Diego certification program, where hotels can earn a seal of approval after they have posted signs, developed a response protocol and trained 80 percent of their employees. They are also exploring the possibility of creating their own training videos.

Some in California's hospitality industry are still uneasy about following the law's mandate that they post the phone number for the human trafficking hotline at their front desks, for fear of making guests worry, according to Bianca Morales-Egan, senior program manager of human trafficking prevention at Project Concern International in San Diego and co-chair, with Shaw, of the Community Subcommittee on the San Diego Regional Human Trafficking/CSEC Advisory Council.

"That's what we're working through right now," Morales-Egan says.

#### 'Mansplaining' and More

At a time when the #MeToo movement has called attention to unresolved problems facing women in the workplace, the situation of women in the meeting industry was also top of mind for many surveyed in *Meetings Outlook*.

Thirty-seven percent of women said they felt they were treated worse due to their biological sex. Among women, 64 percent said they faced limited or capped career opportunities, 54 percent said they get lower pay, 54 percent said they are treated as less capable or intelligent and 46 percent said they are not taken seriously.

"There have been a number of occasions where I have experienced 'mansplaining' in a professional setting," says Courtney Stanley (MPI At Large), a speaker, writer and business strategist. (Mansplaining is the often-parodied phenomenon in which a man explains things to a woman in a condescending manner, regardless of whether she has expertise in the subject.)

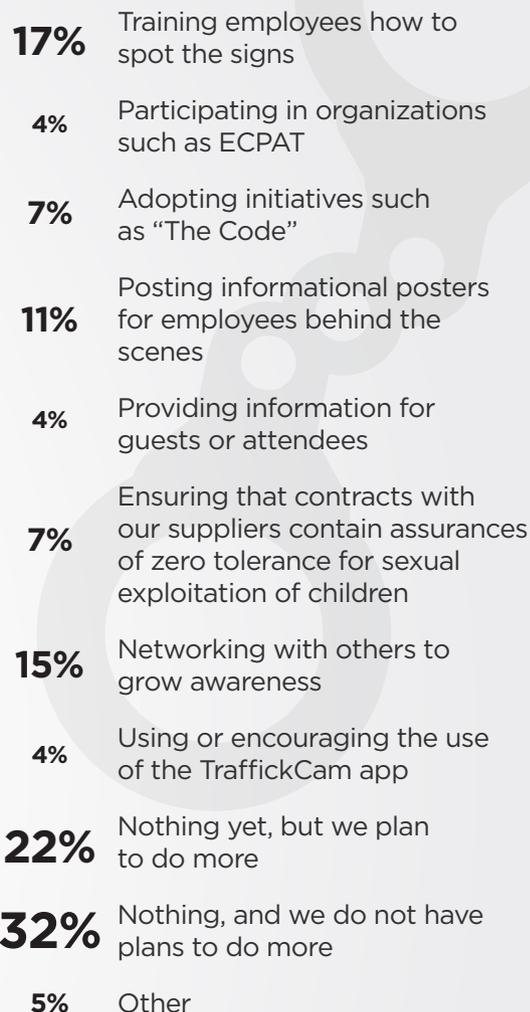
To cope with the challenges that emerged in the survey, Stanley recommends professional training, particularly for women.

"One of the best skills one can and should sharpen when climbing the corporate ladder is assertiveness, which is something that many women struggle with," she says. "It's too easy to take a step back when you feel you are not being heard. It's critical that you continue to speak up. Work done behind the scenes is rarely seen. Never leave a meeting without contributing at least once."

Stanley also recommends that women seek out quality, diverse mentors.

"Be intentional about growing your personal board of directors," she says. "Then go one step further and return the favor by mentoring others. Greater change occurs when we work together and share knowledge."

## What steps, if any, is your organization taking to combat human trafficking?



## Business Conditions

**66%**  
of respondents predict  
**FAVORABLE**  
business conditions

**17%**  
of respondents predict  
**NEUTRAL**  
business conditions

**17%**  
of respondents predict  
**NEGATIVE**  
business conditions

# ATTENDANCE FORECASTS

LIVE AND VIRTUAL ATTENDANCE FIGURES OVER THE NEXT YEAR ARE **EXPECTED TO GROW 2.1% AND 2.8%, RESPECTIVELY.**



## Slashed Commissions

One equal-opportunity challenge that emerged in the survey was that of third-party planner commission cuts. Among meeting planners, 24 percent have already been hit with commission reductions by some hotel companies, while an additional 28 percent expect to be affected in the coming year, the survey found.

“For me as a third party, the most significant trend is that I am literally losing 30 percent of my income next year,” reported one anonymous respondent. “So I either have to work 30 percent more or find more new clients so I can pay my bills. With all of these mergers and acquisitions and companies are making record sales—you think they wouldn’t be trying to damage their partnerships.”

The commission cuts are having a ripple effect, according to other anonymous respondents.

Pressure on third parties and changes to their fee structures from hotel commission-based pricing have created more pressure on other suppliers, a respondent noted.

“As a DMC we start our pricing from scratch and build in our profit to include our third-party’s commission,” the commenter said.

At least four major brands have cut commission from 10 percent to 7 percent, noted Joan Eisenstodt (MPI Potomac Chapter), principal of Eisenstodt Associates in Washington, D.C.

One underlying problem is that meeting planners’ work

*“We know the more light we shine on this horrendous evil, the more scared the traffickers will be to commit the crimes that keep children enslaved.”*

## DAVE WOODWARD

CEO of ClickFunnels

has historically not been valued, Eisenstodt says.

“We have never been valued,” she says. “I have been in this industry more than 40 years. I still hear, ‘It’s not brain surgery’ or ‘It’s not rocket science.’”

Nonetheless, she says, commissionable companies need to look at their value statement, in light of recent developments, and ask themselves, “What are they providing, and what is it worth?”

Hotel personnel reported they are feeling their own pressures.

“We have not seen the seller’s market as our sister urban properties have experienced,” said one respondent, at a resort. “I find planners ask for many more concessions than in the past. We have had to hold strong with rates and concessions though

# IN YOUR WORK LIFE, DO YOU FEEL YOU ARE TREATED EITHER BETTER OR WORSE DUE TO YOUR BIOLOGICAL SEX?

 FEMALE	 MALE	OVERALL	
0%	0%	0%	Treated much better
0%	8%	2%	Treated somewhat better
63%	85%	69%	Treated same as everyone else
31%	8%	25%	Treated somewhat worse
6%	0%	4%	Treated much worse

## IN WHAT WAYS ARE FEMALE RESPONDENTS TREATED WORSE?

- 54% I am treated as less capable or intelligent
- 54% I am paid less
- 64% I have limited or capped career opportunities
- 11% I am subjected to unwanted sexual attention
- 46% I am not taken seriously
- 4% I am given less flexibility with time-off requests
- 4% I am bullied or mocked
- 14% Other



we may not gain the business. Once you drop to a lower rate, it takes years to re-establish.”

But planners aren’t crying for hotels in what a number described as a seller’s market. Eighty-six percent of planners affected by commission cuts are changing their business models to adapt.

And, as *Meetings Outlook* predicted last quarter, there is a move by planners who have experienced reduced commissions to avoid hotels that have lowered commissions. The most prevalent coping strategy, used by 57 percent, is avoiding hotels that have reduced commissions, followed by negotiating more commissions back into their agreements with hotels, deployed by 43 percent.

Eisenstodt, for her part, does not believe that avoiding hotels that have cut commissions is a viable long-term solution.

“To say you’re not going to use a hotel because they’re not paying you is a huge ethical issue,” she says. “If they are a CMP it becomes an even greater issue.”

The concerns reported in the survey speak to the need for more discussion in the industry about commissions, she believes.

“For the future, the industry needs to have an honest conversation about what the impact of commissions is on all of the parties,” Eisenstodt says. ■



*Meetings Outlook* is developed in partnership with MGM Resorts International.



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