Increasing costs for services across the meeting and event spectrum in concert with only slight budgetary growth is setting up a more challenging year ahead.
When planning its annual May education meeting, the MPI Wisconsin Chapter usually opts for the third Thursday of the month. Not anymore.

After sending out its RFP last December, the chapter found it tough to locate space in Milwaukee for 120 people on May 21, 2015.

“We really struggled,” says Carmen Smalley, CMP, chapter president and an instructor of meetings, events and hospitality courses at Milwaukee Area Technical College.

Ultimately, the group decided to move the gathering to the first week of May, when there were more options available and it could get a block of rooms at an attractive rate. Despite that flexibility, the salesperson at the selected venue, The Pfister, encouraged attendees to reserve rooms early to take advantage of the secured rate before the cutoff date because of how busy the city is.

It’s crunch time for many meeting professionals who are facing increasing pressure on every front as the pace of meetings and events grows in segments throughout the industry.

Meetings and events are being complicated by factors such as limited guest room availability (“book now or forget about it”), shorter lead times and continually increasing airfare on flights with fewer open seats, according to survey respondents.

The challenges appear to be affecting U.S. meeting professionals in particular.

“We are finding room rates escalating,” reports Kevin Beckman, CHRM (MPI Kentucky Bluegrass Chapter), director of strategic accounts, Crowne Plaza Hotel Louisville. “We are adjusting our revenue goals for 2015 and increasing our rates for group business in 2015 and 2016.”

Cornelia Horner, CMP (MPI Potomac Chapter), vice president, American Land Title Association, says that as the number of attendees to her meetings rose, there was less availability to add to room blocks.

“Even in stable markets, there seems to be a push to extract more revenue from meeting room rental, parking and shipping,” says Barry Jones (MPI Brazil
Chapter) of FamilyLife, citing his group’s decades of history in the Southern California and Central Texas markets.

And a U.S.-based planner who works primarily with government clients with strict spending limits shares anonymously: “The increase of other segment business is making per diem room rates much more difficult to get during peak months.”

Short lead times were the challenge increasing most dramatically. In the three months this year from June to September, the percentage of respondents who faced this challenge rose from 5 percent to 10 percent.

However, there’s a flip side to what’s going on: It’s fueled in part by economic growth that is leading to a resurgence of meetings. Optimism in the EU, hard hit by a protracted economic downturn, is growing. EU meeting professionals anticipate larger amounts of business in the near future, better attendance at both live and virtual events and increased budgets and spending.

“We are finding room rates escalating. We are adjusting our revenue goals for 2015 and increasing our rates for group business in 2015 and 2016.”

KEVIN BECKMAN, CHRM
MPI Kentucky Bluegrass Chapter
Director of strategic accounts at Crowne Plaza Hotel Louisville
The expected growth in budgets, however, is likely to be accompanied by an increase in overall costs. Meeting professionals are bracing for significant hikes in the cost of putting on a meeting, which could force many to dig deep into their bag of tricks to stay on budget. Air travel costs are expected to increase 5 percent in the coming year, more than any other line item—but they are not rising in a vacuum. Other anticipated cost increases: F&B/catering (4 percent), guest rooms (3.9 percent), audiovisual (3.1 percent) and meeting rooms (2.5 percent).

As rising costs on all sides squeeze organizers, suppliers are being asked to help them stretch their budgets. Pam Madewell, CTA (MPI Dallas/Fort Worth Chapter), has gotten accustomed to clients asking her to “do more with less” at R. Fox Designs.

“It seems to be the trend, particularly in the last five years,” says Madewell, whose firm provides event management, décor and custom prop production and rental to clients such as destination management firms and third-party event planners. “I don’t want to say that every events budget has been reduced, [but] it does seem like more and more have been.”

When clients face lean meetings budgets, Madewell often suggests creative alternatives to pricey, out-of-season flowers—such as attractive centerpieces made from in-season flowers or from more natural-looking, reusable succulents and river rocks.

“Those are very popular,” she notes, adding that they’re also appealing for clients focused on sustainability.

Some clients have suggested their own inexpensive solutions,
as well. For instance, Madewell was “extremely surprised” when a large pharmaceutical company asked to place polyester-shirt-linen overlays in the brand’s signature color over the hotel’s white tablecloths to provide “short bursts of color” instead of opting for more formal, floor-length white linens at a recent event. Ultimately, she says, she was impressed “by how great the event looked on such a small budget.”

Smart site selection can also address some of the budgetary challenges clients face—reducing the need to add many extra touches to brand the event, Madewell notes.

“Making sure the venue fits the style of what the company is trying to project makes a huge difference,” she says.

For instance, when looking for sites for “young, hip, modern” companies, she will turn to properties such as a local venue with a great rooftop garden.

“That in itself helps promote the brand and would require less décor than an outdated property,” she says.

Or she might try a sweeping space in the local warehouse district that has great bones.

“Great architecture goes a long way, if you highlight it with lighting,” she says. “Fabulous architecture means you don’t have to put a theme-y thing in that place.”
MEETINGS WITH A PURPOSE

GREATEST INCREASES IN GATHERINGS
FOCUSED ON PRACTICAL TOPICS

In a post-recession environment where many organizations are still emphasizing significant ROI in meetings, the trend toward holding meetings with a demonstrable business payoff is continuing. Meeting professionals can expect to see the greatest increases in gatherings focused on practical topics such as training, sales and education.

Some groups are adding education to celebratory events. When the MPI Wisconsin Chapter held its awards gala to recognize engaged members this past September, it “had some education attached it,” Smalley notes.

TJ Johnson, VP of education for the MPI Manitoba Chapter, is on the front lines of this trend. She is program manager of conferences at the Austin, Texas-based International Legal Technology Association (ILTA), an organization that provides educational content and peer networking for technology professionals who work at law firms. As U.S. law firms have merged with overseas counterparts in recent years, a greater number have employees working from far-flung international locations. To serve the needs of these distant technology teams, Johnson says the organization has increasingly been holding local educational and networking events around the world, typically for 50 to 100 people.

“Our job is to help provide the educational component to our members wherever they are in the world,” she says. “They can’t all travel to the U.S.”

The meetings also address another need many feel when working in a new environment.

“They want the networking,” Johnson says. “They want the same grassroots community in their country.”

Training, educational events and sales meetings will be the most common types of gatherings in the coming year. This could be due to increases in hiring and investment in employees—including incentives.

<table>
<thead>
<tr>
<th>Event Type</th>
<th>More</th>
<th>Same</th>
<th>Less</th>
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<tr>
<td>Training</td>
<td>68%</td>
<td>24%</td>
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<tr>
<td>Educational Events</td>
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<td>30%</td>
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<tr>
<td>Sales Meetings</td>
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<td>VIP Clients</td>
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<tr>
<td>Symposums</td>
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In Dallas, we’re BIG on mixing business with pleasure. And with thousands of restaurants and bars, we make it easy to do just that. Whether you want to keep networking or unwind after a busy day, there’s a spot that’ll make every moment memorable.

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In March 2014, ILTA partnered with a technology trade show in Hong Kong, providing the educational component to the nearly 200 attendees. ILTA invited all of the firms that had staff in the U.S. and offices in Hong Kong. The next day, they arranged for a law firm to host a roundtable discussion on local issues and also included networking for the 50 participants.

“It was really fun,” Johnson says. The event was so successful that ILTA is now seeing requests for more gatherings of this kind.

“Now we are arranging [for these locations] to have a similar type of get-together every six months,” she says.

ILTA is also looking at other opportunities to piggyback on existing meetings and events by bringing an educational component.

“Sometimes we’ll work with vendors or suppliers who are able to do an educational road show around the world,” Johnson says. “They may build something and go to a number of U.S. cities and have local meetings with the vendor and do a demonstration or talk about a particular issue.”

“**They want the networking. They want the same grassroots community in their country.**”

TJ JOHNSON
VP of education for the MPI Manitoba Chapter
Program manager for the International Legal Technology Association

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**TECHNOLOGY**

**Creativity Must Be Incorporated For The Increasingly Customized, Always-On Environment**

Unsurprisingly, strategic use of technology continues to grow in importance for meeting and event professionals—a trend that is taking many forms.

The increasing use of mobile devices such as iPads and smartphones continues to create challenges for meeting professionals.

“Everyone wants and needs access to the Internet, and everyone is connecting to Wi-Fi on multiple devices,” says Christina Devlin, CMP, CMM (MPI Oregon Chapter), events manager, Associated General Contractors Oregon-Columbia Chapter.

“Hotels and other venues need to step it up and offer better connectivity within their meeting rooms to allow for that.”

Given the frustration she experiences with this, Devlin is considering purchasing a dedicated router for use on site to improve the quality of Wi-Fi and ensure it meets the needs of her attendees.

The increasing demand for technology has helped fuel the growth of firms such as the TFI Group, a full-service events agency based in London that serves corporations, pharmaceutical firms and associations.

Adam Said (MPI United Kingdom and Ireland Chapter), senior executive of product development, TFI Group, says the company has been receiving more requests for “bespoke” technology solutions, ranging from apps to registration software for conferences.

That requires continuing innovation. For one of its association clients, TFI Group has helped record event attendance using off-the-shelf technology.

“The association’s needs keep changing and changing,” Said says. “They are asking for something more efficient and cost-effective. We are developing a system after a lot of discussion with the client.”

In some cases the firm has found the best solution is creating a customized look and feel for existing conference apps.

“We try to build a skeleton that fits most of the events and where we spend more time is on the graphic design,” Said says. “They want the networking. They want the same grassroots community in their country.”

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“Everyone wants and needs access to the Internet, and everyone is connecting to Wi-Fi on multiple devices.”

CHRISTINA DEVLIN, CMP, CMM
MPI Oregon Chapter
Events manager for Associated General Contractors Oregon-Columbia Chapter

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