



# Meetings and Events:

Where Savings Meet Success



Carlson  
Wagonlit  
Travel







# Welcome to the CWT Travel Management Institute research series

The CWT Travel Management Institute conducts in-depth research to help clients worldwide derive the greatest value from their travel and M&E (meetings and events) programs.

Drawing on the global resources of Carlson Wagonlit Travel (CWT), the institute aims to provide a regular flow of business intelligence and best practices, offering actionable insights into the eight key levers to effective travel management identified by CWT.\* These include integrating meetings and events into the travel program to control and optimize the related spend.

The research presented in this report focuses on how companies can optimize their meetings and events spend by implementing a strategic M&E management program.

Other original research publications include:

- *Room for Savings: Optimizing Hotel Spend* (2009)
- *Playing by the Rules: Optimizing Travel Policy and Compliance* (2008)
- *Global Horizons: Consolidating a Travel Program* (2007)
- *Toward Excellence in Online Booking* (2006)

The CWT Travel Management Institute also publishes white papers, case studies and an online quarterly review of industry issues, *CWT Vision*.

## \*Eight key levers to effective travel management

1. Provide the right services and assistance to travelers and optimize transaction processing
2. Tackle hotel spend in a disciplined and professional manner
3. Continue to drive air and ground transportation savings
4. Increase policy compliance and optimize demand management
5. Further consolidate travel programs
6. Address security needs and corporate social responsibility
- 7. INTEGRATE MEETINGS AND EVENTS INTO THE TRAVEL PROGRAM TO CONTROL AND OPTIMIZE THE RELATED SPEND**
8. Develop executive dashboards and actionable performance measures



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# Overview

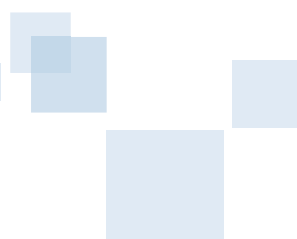
Enhanced performance and savings are possible in meetings and events (M&E). This latest CWT research shows that organizations implementing best practices can increase the impact of M&E, ensuring they serve clearly defined business objectives. At the same time, they can save on average 10-25 percent of M&E spend over three years.

The stakes are high. In a US\$650 billion global M&E market, corporate meetings and events account for an estimated 0.5-1.5 percent of companies' revenues on average or about 35-60 percent of the amount spent separately on business travel. The bulk of spend is on events, although simple meetings are more numerous. Understanding how M&E spend breaks down and targeting action to these three categories is a first step in overhauling M&E management.

Organizations that work with travel management companies to optimize M&E spend can exploit synergies with transient business travel, particularly in sourcing, policy design and data tracking. More generally, companies that successfully implement change cooperate with all kinds of internal stakeholders, from procurement, marketing, communications and sales experts to top executives. They also draw on the expertise of full-service M&E agencies, meeting planners and other specialist suppliers.

Technology is another key enabler and dedicated M&E tools are finally taking off outside North America. In particular, online registration and strategic meetings management tools are helping international organizations to manage M&E more efficiently.

*Meetings and Events: Where Savings Meet Success* presents key areas for improvement and a step-by-step approach companies can implement to maximize return on investment in meetings and events.





# About this research

## Objectives

This CWT research has four main objectives:

1. Clarify the meetings and events (M&E) market
2. Help companies evaluate their M&E budgets
3. Identify key indicators of M&E performance
4. Explain best practices for optimizing M&E management

## Methodology

For an in-depth understanding of meetings and events management, CWT combined several research techniques:

### ■ Surveys

- ▣ A detailed questionnaire on M&E program optimization, involving 222 M&E planners and requestors from more than 15 countries (Argentina, Australia, Belgium, Brazil, Canada, China, France, Germany, Italy, Netherlands, Spain, Sweden, Switzerland, United Kingdom, United States and others)
- ▣ An online survey of attendee preferences and registration behavior, involving 2,360 respondents from more than six countries (France, Germany, Italy, Spain, United Kingdom, United States and others)

### ■ In-depth interviews

- ▣ Interviews with more than 40 M&E experts worldwide from full-service agencies (e.g., communications agencies and travel management companies), venue finders, hotel chains, trade associations and corporations (e.g., event specialists and procurement managers)

### ■ Quantitative analysis

- ▣ An analysis of CWT clients' M&E spend in Europe, the Middle East and Africa
- ▣ An analysis of potential savings using a model designed by CWT
- ▣ An analysis of potential savings using *Strategic Value Analysis*, a proprietary model developed by StarCite\*

### ■ Case studies

- ▣ An in-depth analysis of how a major pharmaceutical company has improved M&E processes and managed change
- ▣ An analysis of how a leading consumer goods company has improved its sourcing for accommodations and meeting venues by leveraging synergies with its transient business travel program

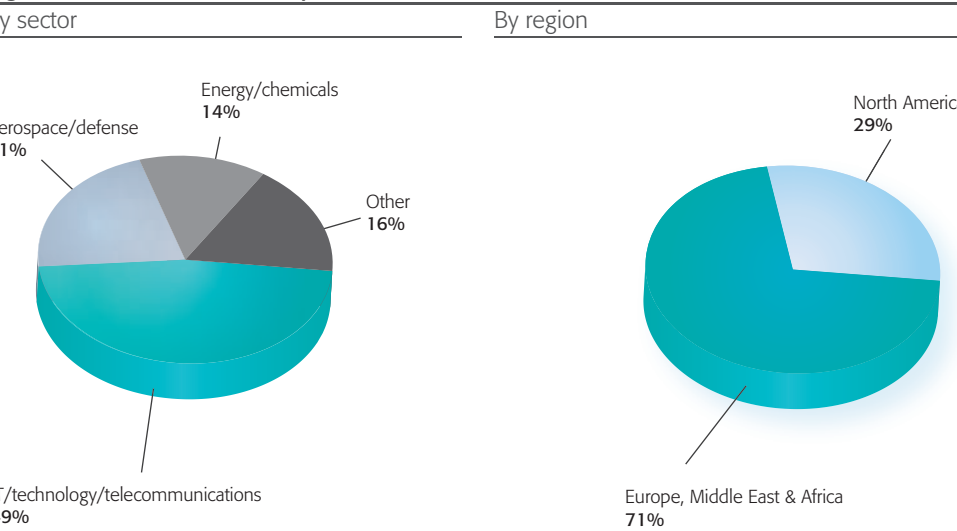
\*As CWT's technology partner for meetings and events, StarCite collaborated with CWT to target survey participants and authorized the use of its propriety *Strategic Value Analysis* tool for this study. (See Page 39.)



StarCite provides a technology platform that makes meetings and events planning, booking and management simpler, easier and more cost-effective for corporations, hotels, venues and meetings suppliers worldwide. The company delivers visibility, cost savings and control over meetings spending for business and enhanced revenue opportunities for suppliers. Through Web-based, on-demand technology, StarCite automates and supports every element of the meetings planning and procurement process: planning, buying, attendance, payment and results measurement. Using StarCite's proprietary online marketplace, meetings buyers can connect and conduct business with over 93,000 hotels, venues, destinations and suppliers globally.

This research was carried out from September 2009 to March 2010 and involved a diverse sample in terms of sector, company size, M&E planners' scope of responsibility and the region where attendees are based, as shown in Figures 1-2.

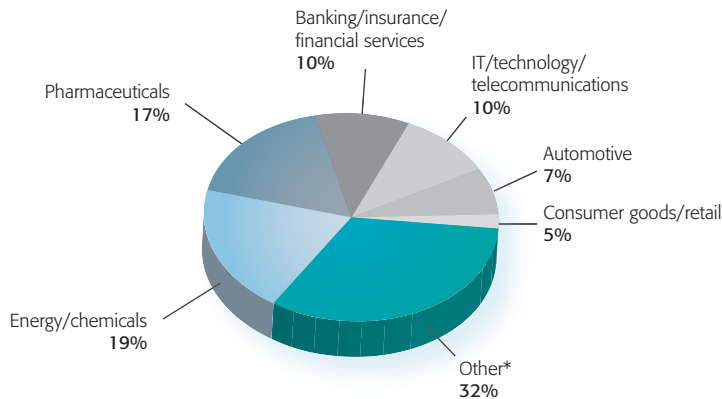
Figure 1: Breakdown of surveyed M&E attendees



Source: CWT Travel Management Institute  
Based on a survey of M&E attendees (2,360 responses)

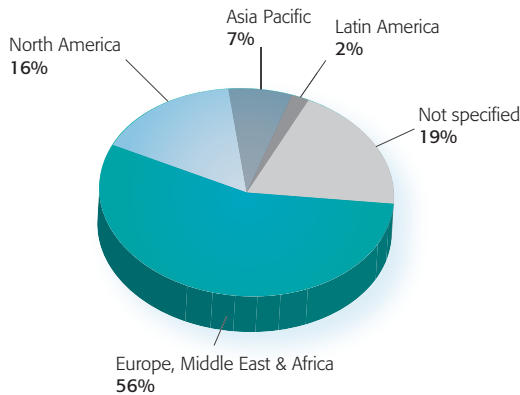
Figure 2: Breakdown of surveyed M&E planners and requestors

By sector



\*Includes food/beverages, consulting, heavy industry, manufacturing, aerospace/defense and other sectors

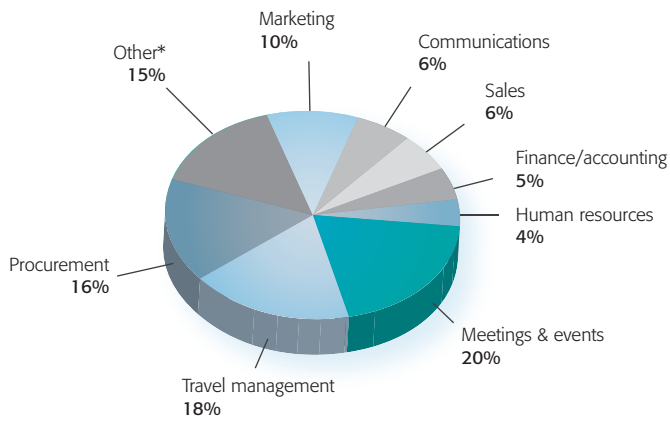
By region of headquarters





By function

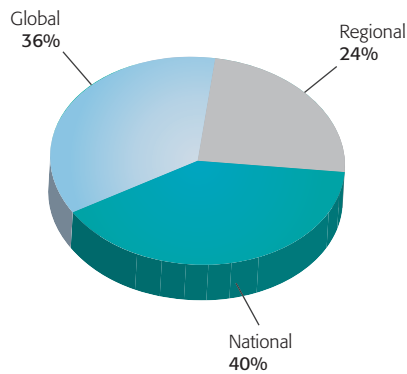
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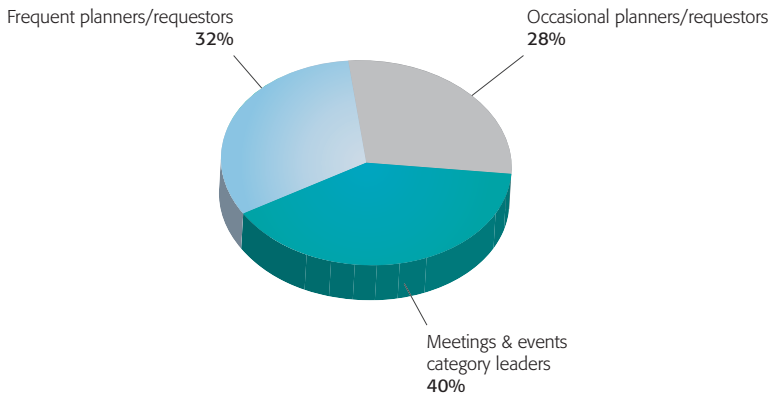
\*Includes operations, legal, IT and other departments

By geographical scope of responsibility

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Source: CWT Travel Management Institute  
Based on a survey of M&E planners and requestors (221 responses)



Source: CWT Travel Management Institute  
Based on a survey of M&E planners and resquestors (221 responses)

## M&E categories

This research segments meetings and events into three categories:

- **Meetings:** gatherings of people (generally 10-50) arranged regularly or ad hoc
- **Simple events:** face-to-face engagements, generally for 50-250 people, to communicate specific business messages (e.g., team building, hospitality events and exhibitions)
- **Major (large or special) events:** more complex, customized events generally involving more than 250 people (e.g., congresses, symposiums and large incentive events)





# Key findings in brief

The research highlights three key findings:

## 1. Hard-to-track spend represents an estimated 0.5-1.5 percent of company revenues on average.

Meetings and events spend can be hard to track without consolidated reporting and is typically a challenge when M&E management is decentralized. Only half of the surveyed planners and requestors are able to estimate their M&E spend, arriving at 2.3 percent of revenues on average. Based on market and survey data, CWT estimates that M&E spend represents 0.5-1.5 percent of an organization's revenues on average, varying between industries. Companies in the pharmaceutical, IT, banking and finance, and consulting industries may dedicate as much as 4 percent of their revenues to M&E, while very high-revenue firms may spend less than 0.5 percent. In the future, a more accurate view of spend should be available as procurement experts become more involved in M&E and companies continue to consolidate their M&E management.

## 2. Best practices can bring 10-25 percent savings on M&E spend while increasing return on investment.

CWT has developed a model to calculate the savings companies can achieve when they improve their meetings and events management. According to this model, organizations can save 10-25 percent on average when they adopt best practices in three main areas—sourcing, processes, and policy and compliance—with full support from top executives. In addition to savings, improved M&E management helps

increase return on investment, ensuring that M&E serve business objectives.

## 3. Eight steps can be taken to optimize meetings and events management.

■ **Analyze spend and set up the right M&E organization.** Companies often lack a clear vision of their total meetings and events spend when M&E activities are carried out by different departments and business units that may not track data. Even a rough estimate of global M&E spend, however, can convince top executives to explore opportunities for increased return on investment. To lay the foundations for effective M&E management, CWT recommends first estimating annual M&E spend and implementing processes to capture and track comprehensive data. Companies should also centralize M&E management, outsource M&E activities and involve procurement experts in the decision-making process.

■ **Design an M&E strategy and policy.** Companies should draw up a strategy based on the different categories of meetings and events, defining strategic objectives, supplier management, processes and policy. Their M&E policy should support this strategy by setting precise rules for organizers of meetings and events. Although all the relevant stakeholders across an organization should be consulted to obtain input and buy-in, it is important to designate ownership of the policy to facilitate day-to-day management and promote compliance.

■ **Create an annual M&E budget and events calendar.** Organizations should budget and plan meetings and events annually to make the best use of their resources. If comprehensive data is lacking, companies can estimate their global M&E budget based on their largest events, which represent the bulk of spend. Tracking these events in a centralized calendar can improve managers' visibility of M&E activity, as well as provide benefits such as alerting organizers to the availability of cancelled meeting space that could be reused.

■ **Select and negotiate with suppliers.** Working effectively with the right suppliers enables companies to leverage outside expertise while reducing costs. Many organizations work with preferred M&E agencies for large events, while the most mature also outsource the coordination of small meetings to logistics partners. This section discusses best practices for selecting and collaborating with suppliers, as well as how to get the most out of negotiations.

■ **Establish a formal planning process.** A formal planning process is key to a consistent meetings and events program, maximizing compliance and ensuring that M&E meet business objectives as well as satisfy attendees. CWT recommends five key steps: define objectives, establish a formal approval process, plan sufficiently in advance, choose a convenient destination and outsource coordination where necessary to leverage skills.

■ **Implement efficient attendee registration.** Attendee management can be more efficient and convenient when manual processes are replaced by technology. Many companies use online registration tools that streamline processes for both M&E planners

and attendees. In addition, organizations are increasingly using strategic management tools that provide a more complete solution, supporting M&E processes, sourcing and spend management.

■ **Handle payment and reimbursement.** An optimized payment and reconciliation process enables organizations to effectively manage data and maximize compliance with the M&E program. As procurement experts become increasingly involved in M&E, more companies worldwide will adopt the relevant best practices. These include paying as many supplier costs as possible using a single mode of payment—preferably a corporate meeting card—and asking attendees to use their corporate credit cards for reimbursable expenses. Companies can also improve processes by using an automated expense management tool and working with specialist suppliers to reclaim VAT.

■ **Evaluate M&E performance and policy compliance.** Organizations need to consistently follow up on meetings and events to check they meet objectives and ensure ongoing improvements. In addition to monitoring attendee satisfaction, companies should track the satisfaction of other stakeholders, supplier performance and the value brought by M&E in terms of both tangible and intangible benefits. Aggregate reporting and analysis of spend data across an entire organization provides benchmarking information that helps identify new savings opportunities and process improvements. It is important also to track compliance with M&E policy and the preferred supplier program on a regular basis.



# The global meetings and events market: key facts

The following pages provide an overview of the meetings and events market and its multiple categories, clients, service providers and outsourcing models. Currently estimated at US\$650 billion, the global market experienced a significant downturn during the economic crisis but is expected to resume strong growth in 2010-11.

## Five main meetings and events categories

The global meetings and events market can be divided into five main categories addressing distinct client needs: meetings; simple events; major (special or large) events; congresses and conferences; and exhibitions, trade shows and sports events. Each category differs in terms of its potential business impact, level of logistical complexity and amount of creative or customized content, as shown in Figure 3.

major (special or large) events; congresses and conferences; and exhibitions, trade shows and sports events. Each category differs in terms of its potential business impact, level of logistical complexity and amount of creative or customized content, as shown in Figure 3.

Figure 3: Five main M&E categories

	Key features	Number of participants	Business impact	Logistical complexity	Customized/creative content
Meetings	<ul style="list-style-type: none"><li>Require hotel and/or venue booking</li><li>Budget under US\$10,000-15,000</li></ul>	10-50			
Simple events	<ul style="list-style-type: none"><li>Usually involve several external services</li><li>1 day or longer</li><li>Mix of business and entertainment</li></ul>	50-250			
Major (large/special) events	<ul style="list-style-type: none"><li>High level of customization/creativity</li><li>Often held in exotic locations</li></ul>	250+			
Congresses/conferences	<ul style="list-style-type: none"><li>Main aim is to facilitate knowledge or information exchange among members of the same/related professions</li></ul>	100s			
Exhibitions/trade shows/sports events	<ul style="list-style-type: none"><li>Large gathering of members in the same industry/profession to promote products and services</li></ul>	100s			

Importance: Low Medium High

## Two main client segments

Broadly speaking, the meetings and events market serves two main client segments: corporate and non-corporate.

- **Corporate clients** essentially organize meetings, simple events and creative/special events. As this study focuses on corporate M&E activities, it refers to these three categories of meetings and events more than congresses, conferences, exhibitions, trade shows and sports events, which are usually handled by industry associations.
- **Non-corporate clients** organize the vast majority of congresses, conferences, exhibitions, trade shows and sports events. A distinction can be made between industry/trade associations (e.g., for the automotive or construction industries) that organize

the most exhibitions and trade shows, and professional associations (scientific or academic) that organize the most conferences and congresses. Non-corporate clients include a wide variety of associations and not-for-profit organizations ranging from small community clubs organizing annual parties to major international institutions running global conferences.

Corporate and non-corporate clients vary significantly in terms of four key features: the size of their M&E staff, their visibility over spend, year-over-year variations in M&E budgets, and the importance accorded to expense tracking and return on investment. For example, associations tend to have many dedicated M&E employees and budgets that are less impacted by economic downturns. They typically focus less on expense tracking and ROI than corporations. (See Figure 4.)

Figure 4: Corporate and non-corporate clients vary on four key criteria

Criteria	Corporate clients	Non-corporate clients
Size of dedicated M&E staff	Staff usually oversee numerous activities but are too small for in-depth involvement in an event	Event organisation is a key activity
Budget visibility	Lower visibility as budgets released at last moment, subject to company's financial performance	Usually part of annual budget fixed well in advance
Year-over-year variation in budgets	Highly dependent on company's financial performance	Generally fixed within annual budget. M&E budget typically 30% of associations' annual revenues
Importance of expense tracking and ROI* analysis	Particularly important for publicly traded companies facing shareholder pressure. Direct impact on bottom line	Most not-for profit organisations seeking self-sustainability

Importance:  Low  Medium  High

\*Ability to quantify M&E spend vs. impact on sales/profitability

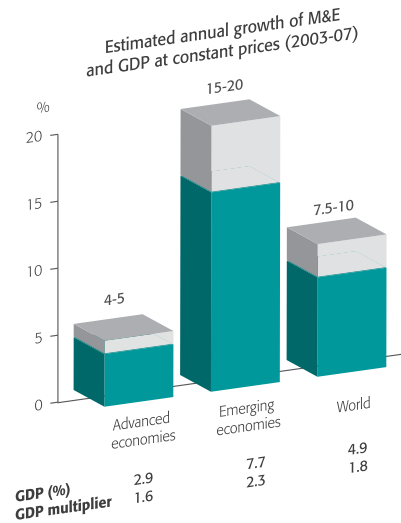
Source: CWT Travel Management Institute

## A US\$650 billion, fast-growing market

Growing steadily before the global economic crisis, the global meetings and events industry has naturally experienced a slowdown since the end of 2008. CWT research indicates that growth will return to similar rates over the next few years. According to interviewed experts, M&E spend grew annually by 4-5 percent in advanced economies and as much as 15-20 percent in emerging economies before 2008. M&E spend therefore grows at around 1.8 times the rate of GDP (Figure 5).

In 2008-09, M&E revenues suffered a drop of 20-30 percent in advanced economies and 30-40 percent in emerging economies. The market has since resumed growth and is likely to recover fully by the end of 2010 in the Middle East, 2010-11 in Asia Pacific and 2011-12 in Europe and North America. By 2011-14, annual growth rates should therefore reach approximately 3-4 percent in advanced economies and 15-18 percent in emerging economies.

Figure 5: M&E spend grew at about 1.8 the rate of GDP in 2003-07



Sources: World Economic Outlook (Oct. 2009), CWT Travel Management Institute



## VIEWS

*"The M&E market in North America has enjoyed relatively steady growth over the last 10 years. I'd say there has been 2-4 percent annual growth from 2006-08."*—M&E vice president, global travel management company in North America

*"2003-07 were very good years for the global M&E market, with an annual growth rate in the 10-15 percent range, varying by region."*—Chief development officer, U.K.-based association of M&E professionals

*"The non-corporate segment remains limited in the Gulf and other emerging economies but it is the fastest growing segment as more associations are being set up."*—Marketing manager, global trade event, Middle East

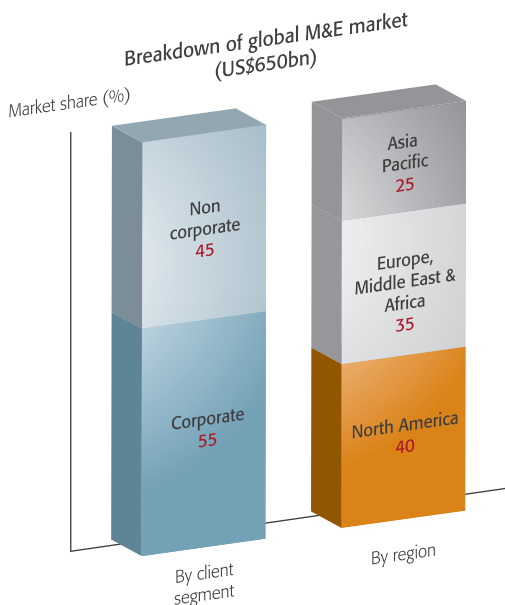
*"Events are one of the primary sources of savings. Last year we spent less on corporate communications by limiting the budget per event. We cannot cancel most of the events we organize. We also cut internal budgets by limiting the number of events."*—External relations manager, supermarket chain, France

CWT research indicates that the global M&E market represents an estimated US\$650 billion, with the largest spend in North America (40 percent or US\$260 billion) followed by Europe (35 percent or US\$227.5 billion) and Asia Pacific (25 percent or US\$162.5 billion), as shown in Figure 6.

Corporate clients account for just over half (55 percent) of this spend, slightly more than non-corporate clients. This split varies by region, with corporate clients representing about 70 percent of M&E revenues in Asia Pacific, 60 percent in North America and 40 percent in Europe, where many international associations have their headquarters.

Figure 7 explains how CWT arrives at a total market size of US\$650 billion.

**Figure 6: CWT estimates the global M&E market at US\$650 billion**



Source: CWT Travel Management Institute



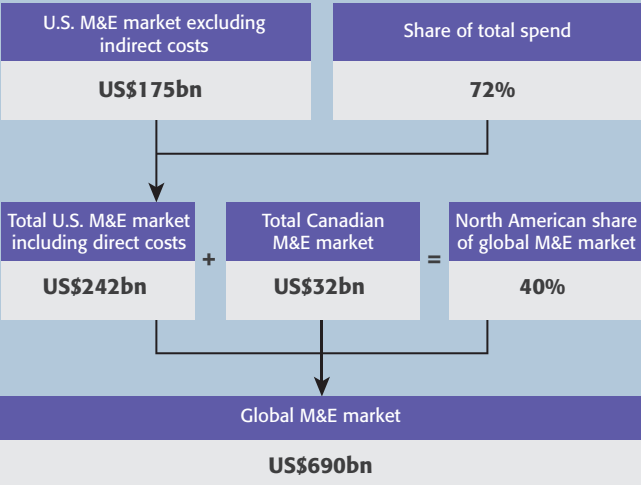
Figure 7: Three approaches to estimate global M&E market size

CWT estimated the size of the global meetings and events market using three different approaches, combining quantitative industry research and qualitative interviews with market experts.

1. From North American to global size:  
US\$690 billion

CWT adjusted industry estimates of the U.S. and Canadian M&E markets to include indirect costs in addition to direct costs. Two main data points

were used: a US\$175 billion estimate of the U.S. meetings and events market, excluding indirect costs, made by PhoCusWright, a specialist market research company; and a ratio for indirect costs found in a study of the Canadian market by MPI, a global association of meetings and events professionals. The total North American market including indirect costs was then marked up to provide a global market estimate, considering that North America represents about 40 percent of the global market.

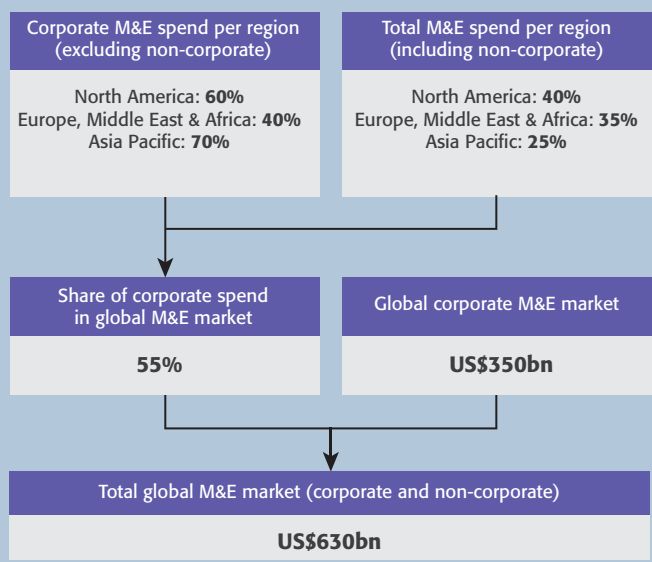


Sources: *Groups and Meetings: Market Opportunity Redefined* (PhocusWright, 2007), *Canadian Economic Impact Study* (MPI, 2007-08), CWT Travel Management Institute research (2009-10)

2. From corporate to overall market size: US\$630 billion

The second approach starts from an estimate of the corporate M&E market made in 2005-06 by StarCite, a provider of Web-based solutions for managing meetings and events: US\$300 billion. This figure was adjusted for growth in 2005-09,

producing a corporate market size of US\$350 billion. It was then further adjusted to include the share of non-corporate sales in different regions, which represent 30-60 percent of the M&E market, producing a global estimate of US\$630 billion.

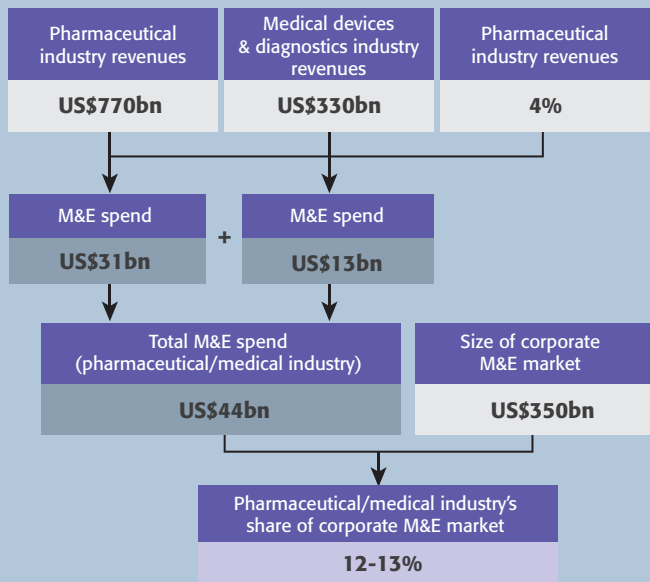


Source: StarCite, CWT Travel Management Institute

3. Validity check based on M&E spend in the pharmaceutical industry

Finally, CWT tested the validity of the first two results by looking at spend in the pharmaceutical industry, the largest consumer of M&E. Using market data and corporate reports, CWT estimates the size of the pharmaceutical market at US\$1,100 billion. CWT interviews indicate that M&E spend in this sector can reach 4 percent of revenues or about US\$44 billion.

If the corporate meetings and events market is worth US\$350 billion (as calculated in the second approach), then the pharmaceutical industry accounts for 12-13 percent of the total M&E market. This result fits with interviewed experts' views of the pharmaceutical industry's spend on M&E.



Sources: Johnson & Johnson annual report (2009), CWT Travel Management Institute research (2009-10)

Given that the three approaches produced figures of US\$630 billion to US\$690 billion,

CWT considers US\$650 billion to be a realistic estimate of the global M&E market.

## Six main growth drivers

CWT has identified six main drivers of growth in the M&E market:

- **Economic context.** M&E spend is largely impacted by economic cycles. Meetings in particular tend to be cut during a downturn and reinstated more slowly at recovery than other activities such as business travel. As noted earlier, the M&E market grows at about 1.8 times the rate of GDP on average.
- **Evolution of the marketing mix.** Companies are relying less on traditional mass media as new communications channels are taking hold—in particular, online media and social networks that are changing the way information is shared and corporate reputation is managed. In this context, face-to-face events are an increasingly valuable way to build quality relationships with target key audiences.
- **Industry context, including regulation.** Notably, banking and finance companies have been under pressure to reduce spend on incentives, including events. At the same time, the pharmaceutical industry has long faced strict regulation regarding advertising and promotions and therefore focuses more

on other forms of communication, including industry events.

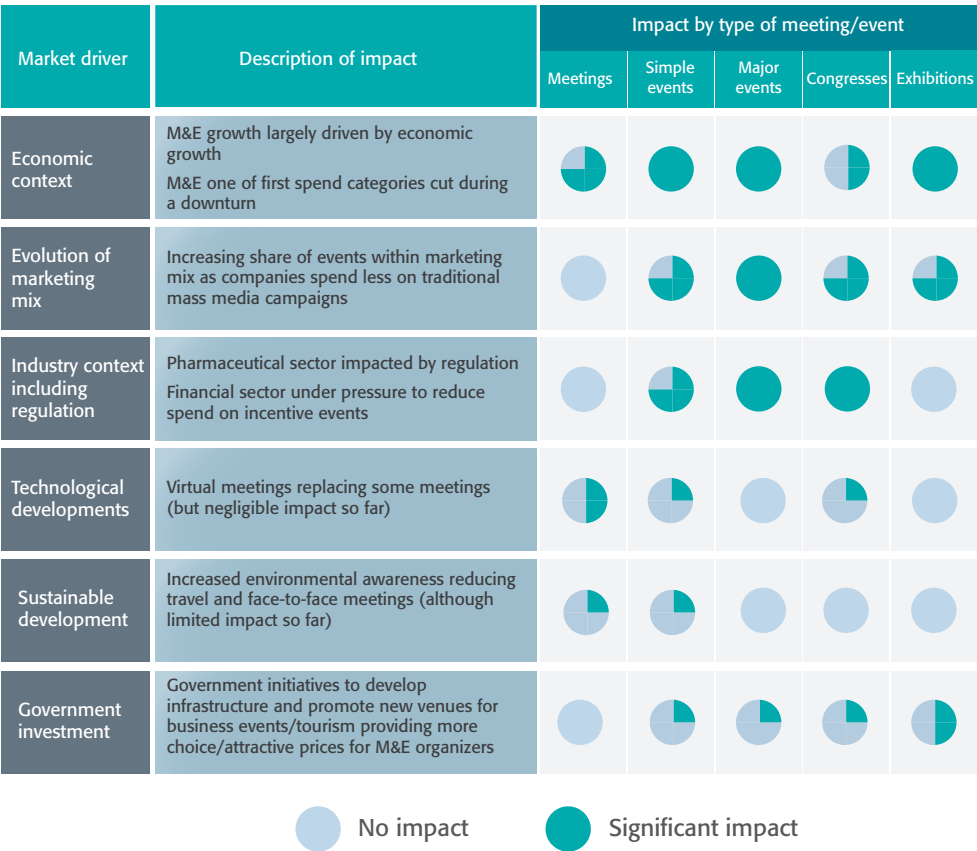
- **Technological developments.** Virtual meetings are becoming more popular as the technology is improving. They provide a viable alternative to face-to-face meetings in some cases—mainly smaller, routine meetings.
- **Sustainable development.** Environmentally conscious companies may review the need for events and the scale on which they are organized to reduce carbon emissions from travel. (See Pages 66-67.)
- **Government investment.** Corporate M&E spend is impacted by government initiatives to boost the attractiveness of cities and regions for events through infrastructure and facilities. Many new destinations have become attractive venues for events and can offer considerable price benefits.

These growth drivers vary in impact depending on the type of client. For example, government initiatives generally impact non-corporate more than corporate M&E spend. The impact also varies with the type of meeting or event, as shown in Figure 8.

## ↓ VIEWS

*"Decision makers are more and more aware that events are a cheap and efficient way to communicate with businesses and consumers."*—Director, global communications agency

Figure 8: Six key drivers impact M&E spend



Source: CWT Travel Management Institute

## Evolving supply and demand

Although the recent economic crisis has led to major cuts in M&E spend, many companies already started rationalizing their M&E organization and processes years earlier. This is particularly true of corporations in the pharmaceutical, consulting, IT and financial industries, whose budgets can reach 4 percent of revenues. Many such companies now involve procurement experts in their M&E purchasing processes and implement solutions to track M&E spend, calculate return on investment, define M&E policy, measure compliance and streamline outsourcing.

One major change has been the use of technology to optimize M&E management. Companies worldwide have adopted online meeting platforms to consolidate their M&E activities and improve data tracking while comprehensive strategic meetings management tools are also gaining ground. (See Pages 102-107.)

Clients have also pushed their suppliers to improve meetings management solutions and many have increased their outsourcing of M&E management—from the A-Z handling of major events (e.g., setting agendas and budgets, performing site inspections, booking travel and managing relations with end suppliers), to coordinating logistics for all meetings. According to the CWT survey, 54 percent of companies now outsource at least some of their M&E management and 3 percent plan to, compared to 31 percent who do not outsource and 12 percent who do not know.

## VIEWS

*"I would say pharma, IT and finance companies—those with the largest M&E expenses—started to be interested in optimizing M&E around 10 years ago"—Marketing manager, M&E technology provider*

Three main models are used for outsourcing:

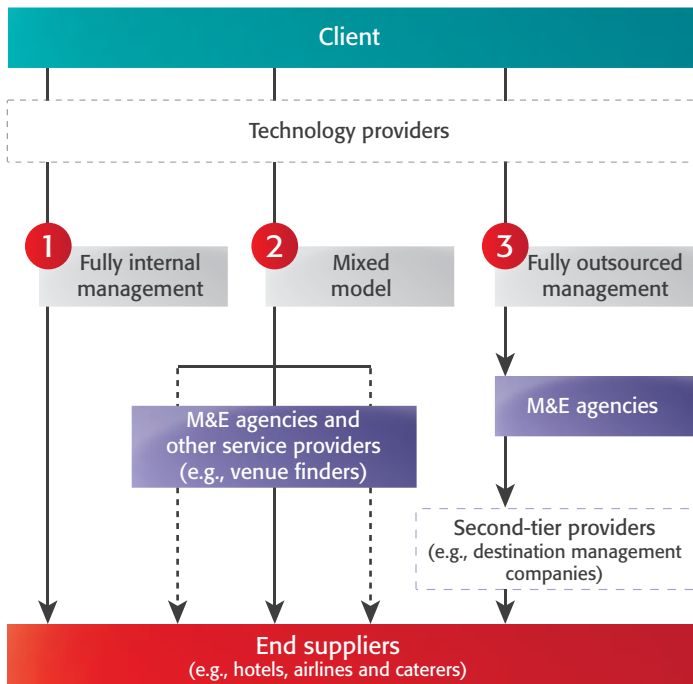
- **Fully internal management.** The client organizes every aspect of an event in-house and contacts end suppliers directly.
- **Fully outsourced management.** The client outsources the entire event to a single agency (e.g., a public relations agency, travel management company or professional congress organizer), who may outsource to

other agencies, especially if the event takes place abroad.

- **Mixed model.** The client handles some M&E aspects in-house and outsources the rest to one or several vendors. This model is becoming more common, especially in more mature M&E programs

These models are shown in Figure 9.

Figure 9: Three main models for outsourcing



Source: CWT Travel Management Institute

In the future more companies will outsource the management of major events. Larger

organizations will also increasingly outsource smaller events and meetings.

## Four main categories of meetings and events service providers

In response to increased outsourcing, new players have emerged and historical M&E suppliers have redefined their scope. For example, many global communications groups have created dedicated event management subsidiaries, while travel management companies such as CWT are moving beyond their core expertise to provide comprehensive, creative M&E solutions. Conference centers have expanded their offering beyond venue management and new destination-management companies have sprung up to design and coordinate local events.

The main M&E service providers can be broken down into four categories:

- **Full-service agencies** offer comprehensive solutions, including content design and management, venue finding, travel and accommodations and post-event evaluation. Within this category are agencies that manage all kinds of meetings and events (e.g., meeting specialists, travel management companies and public relations firms) and those that focus on a single category (e.g., congresses organizers).
- **Specialist agencies** focus on specific parts of M&E organization. They include venue finders, hotel booking agencies and destination management companies.
- **Technology providers** offer IT solutions to facilitate M&E preparation and tracking, such as reservation databases. These players mostly have global scope.
- **End suppliers** include providers of M&E venues and transport, such as hotels and airlines.

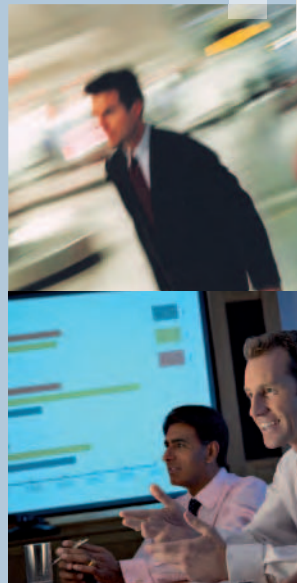




Figure 10: Four main types of M&E service provider

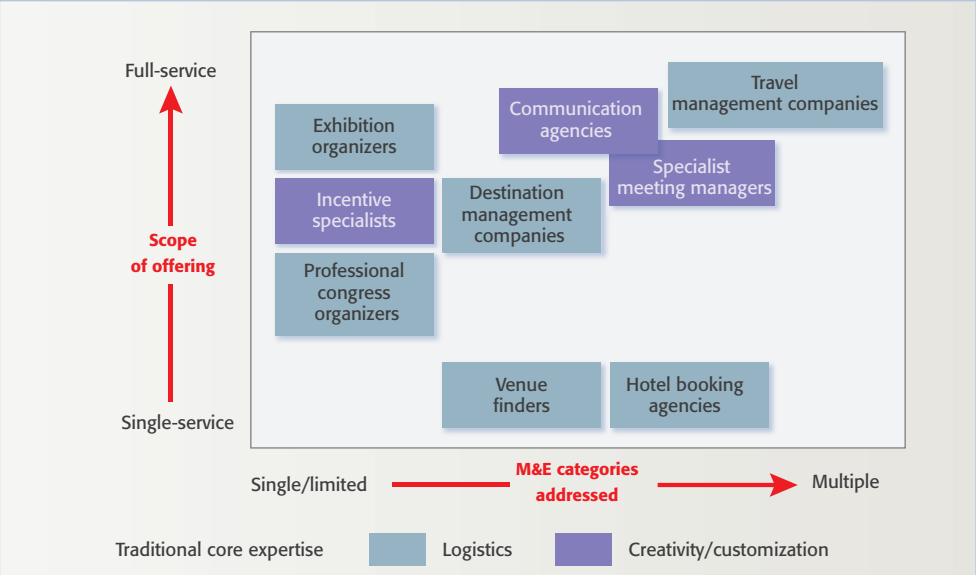
	Service offering	Examples	Geographic scope
Full-service agencies	<b>Multiple event categories:</b> total event management, content design and production, venue finding/management, accommodations, transportation, registration, on-site coordination, post-event evaluation and reporting	Travel management companies	Mostly global
		Communications agencies	Mostly local
		Specialist meeting managers	Mostly local
	<b>Single event category:</b> complete solutions for a single type of event	Exhibition organizers	Mostly local
		Professional congress organizers	Mostly local
		Incentive and high-end meeting specialists	Mostly local
Specialist agencies	Specialist services such as venue finding or hotel booking	Venue finders	Mostly local
		Hotel booking agencies	Mostly global
		Incentive specialists	Mostly local
Technology providers	IT solutions for M&E registration and management (online registration and strategic meetings management tools)	Technology providers	Mostly global
End suppliers	Transportation, accommodations, venues, catering and other services	Hotels, airlines and conference centers	Mostly global

Source: CWT Travel Management Institute

The first two categories, M&E agencies, vary not only in the range of services provided and the type of meetings and events covered but also in their traditional core strengths, which tend toward either creativity or logistics. The competitive landscape is changing, however, as

key players evolve their offerings. In particular, travel management companies like CWT now have dedicated M&E agencies that offer the full range of logistic and creative services, while communications agencies are reinforcing their logistics solutions. (See Figure 11.)

Figure 11: M&E service providers vary in the scope of their offerings and the M&E categories addressed



Source: CWT Travel Management Institute

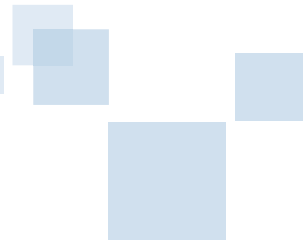
## VIEW

*"We are working closely with our TMC to help us improve our M&E management system. We need an efficient but simple system to centralize M&E expenses (air travel, hotel, ground transportation, etc.) and keep track of them."*—Global travel manager, online retailer based in the United States

## Σ SUMMARY

Key features of the global meetings and events market:

- Five main categories: small meetings; simple events; major events; congresses and conferences; and exhibitions, trade shows and sports events
- Two main client segments: corporate and non-corporate
- Main focus for corporate clients: small meetings, simple events and major events
- Estimated value: US\$650 billion worldwide
- Six main growth drivers: economic context, evolution of marketing mix, industry context, technological developments, sustainable development and government investment
- Three main models for outsourcing: fully internal management, fully outsourced management and mixed management
- Four main categories of M&E service provider: full-service agencies, specialist agencies, technology providers and end suppliers





# 1. Hard-to-track M&E spend represents an estimated 0.5-1.5 percent of company revenues on average

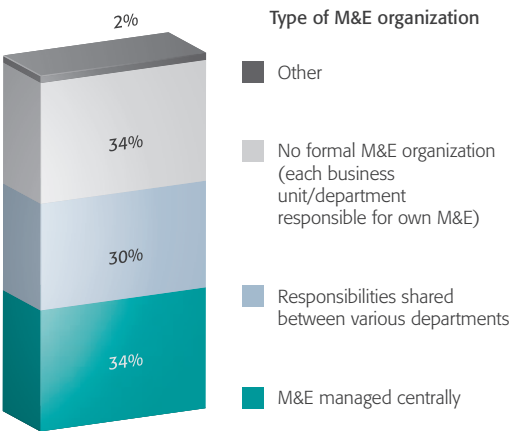
Meetings and events spend can be hard to track without consolidated reporting and is typically a challenge when M&E management is decentralized. Only half of the surveyed planners and requestors are able to estimate their M&E spend, arriving at 2.3 percent of revenues on average. Based on market and survey data, CWT estimates that M&E spend represents 0.5-1.5 percent of an organization's revenues on average, varying between industries. Companies in the pharmaceutical, IT, banking and finance, and consulting industries may dedicate as much as 4 percent of their revenues to M&E, while very high-revenue firms may spend less than 0.5 percent. In the future, a more accurate view of spend should be available as procurement experts become more involved in M&E and companies continue to consolidate their M&E management.

## Decentralized M&E management

Meetings and events spend has traditionally been hard to measure and track as data is typically scattered across all departments and business units of an organization. All kinds of employees, from assistants to dedicated events managers, organize M&E using different budgets, methods and suppliers.

The CWT survey indicates that a third of companies have no formal M&E organization—each department or business unit manages M&E independently. A third share responsibility for M&E across their organizations (Figure 12). Another third say they have a central organization, bearing in mind that the survey sample includes a large proportion of companies from industries that spend the most on M&E and have mature M&E programs.

Figure 12: A third of companies say they organize M&E centrally



Source: CWT Travel Management Institute  
Based on a survey of M&E planners and requestors (222 respondents)

According to surveyed planners and requestors, the departments most often in charge of meetings and events are marketing, communications and sales (Figure 13). Travel management and procurement are typically involved in a support role.

Many companies have not yet investigated the opportunities for synergies between M&E and business travel management because of a lack of cooperation between these two areas or decentralized M&E activities. Synergies are possible, notably in strategic sourcing, where volumes from M&E and transient travel can be consolidated and leveraged during negotiations with suppliers. While 68 percent of planners and requestors in North America and 63 percent in Europe say some or all of their M&E are handled in cooperation with their business travel departments, only 29 percent of Asian companies do, as shown in Figure 14.

Figure 13: Marketing and communications departments are most often in charge of M&E

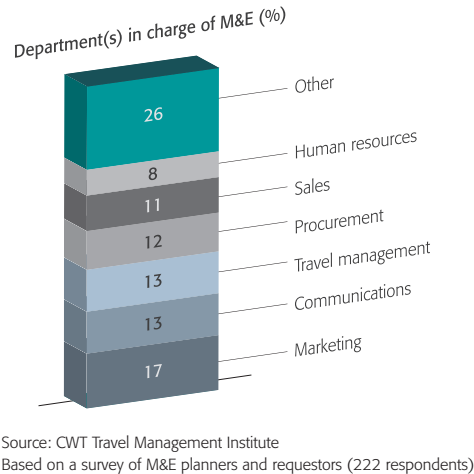
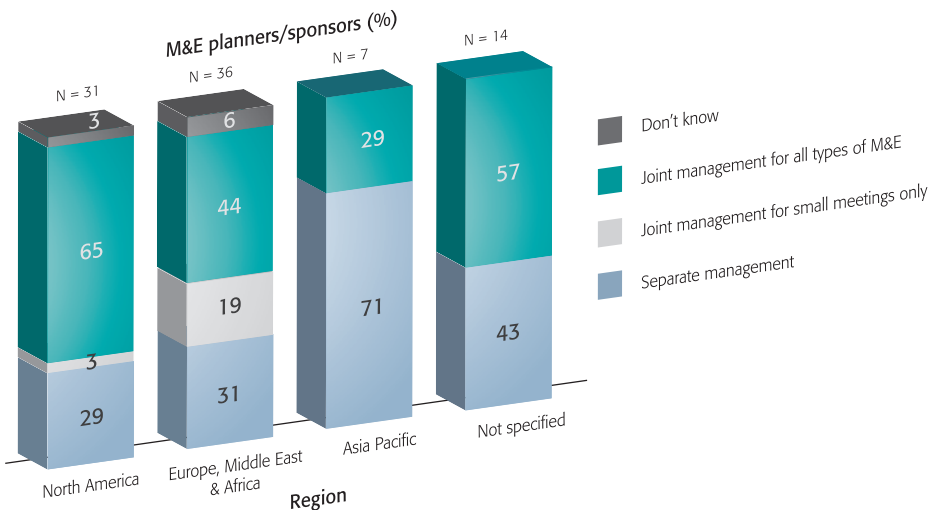


Figure 14: 29-65 percent of M&E planners and requestors manage events jointly with travel managers depending on the region



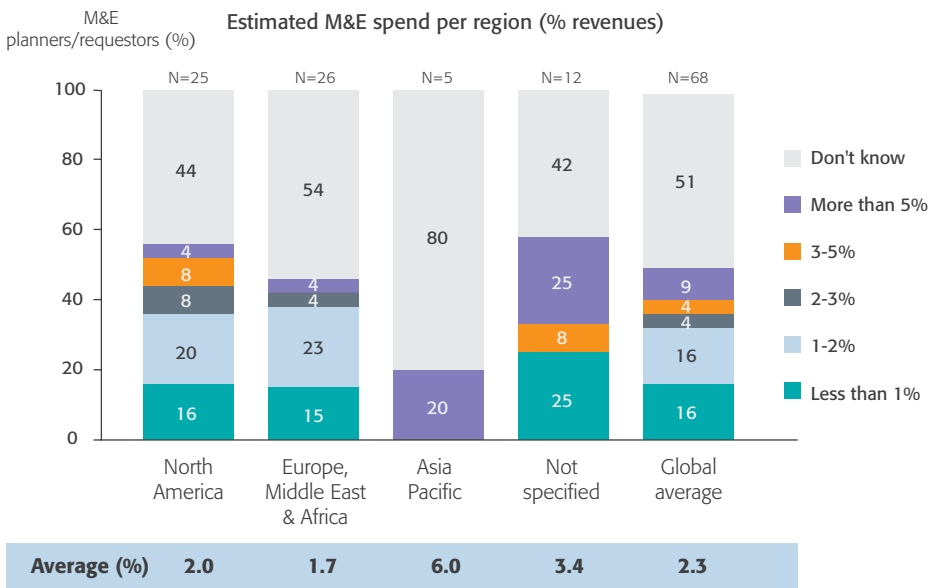
Source: CWT Travel Management Institute  
Based on a survey of M&E planners and requestors (88 respondents)

**M&E spend: difficult to estimate, representing 0.5-1.5 percent of revenues on average**

their companies' total spend on M&E. Internal M&E leaders estimate their M&E spend at 2.3 percent of company revenues on average (Figure 15).

The dispersion of M&E responsibilities within organizations explains why only half of surveyed planners and requestors are able to estimate

**Figure 15: Companies estimate they spend on average 2.3 percent of revenues on M&E**

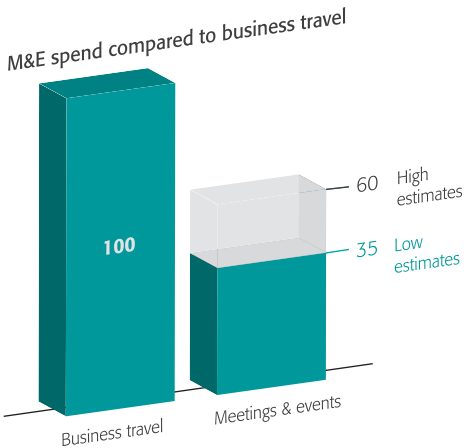
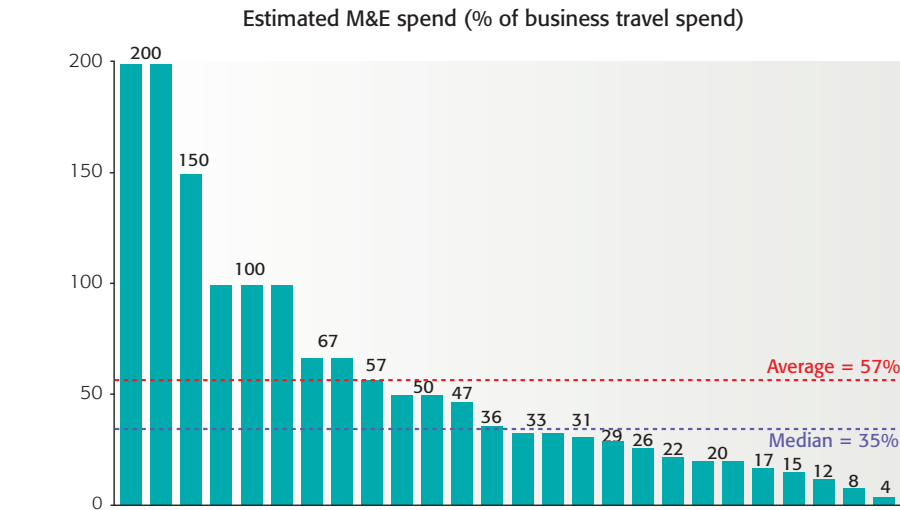


Source: CWT Travel Management Institute  
Based on a survey of planners and requestors (68 respondents)

When compared with transient travel budgets, estimated M&E spend is equivalent to 35-60 percent of the amount spent on transient business travel (Figure 16). Industries that spend

the most on meetings and events proportional to business travel are also those that have the highest proportional spend compared to corporate revenues.

**Figure 16: Planners and requestors estimate their M&E spend reaches 35-60 percent of the amount spent on transient business travel**



Using market and survey data, CWT estimates that M&E spend represents 0.5-1.5 percent of an organization's revenues on average, varying between industries. Companies in the pharmaceutical, IT, banking and finance, and consulting industries, may dedicate as much as 4 percent of their revenues to M&E, while very high-revenue firms may spend less than 0.5 percent.

Source: CWT Travel Management Institute  
Based on a survey of M&E planners and requestors (26 respondents – excluding 2 main outliers)

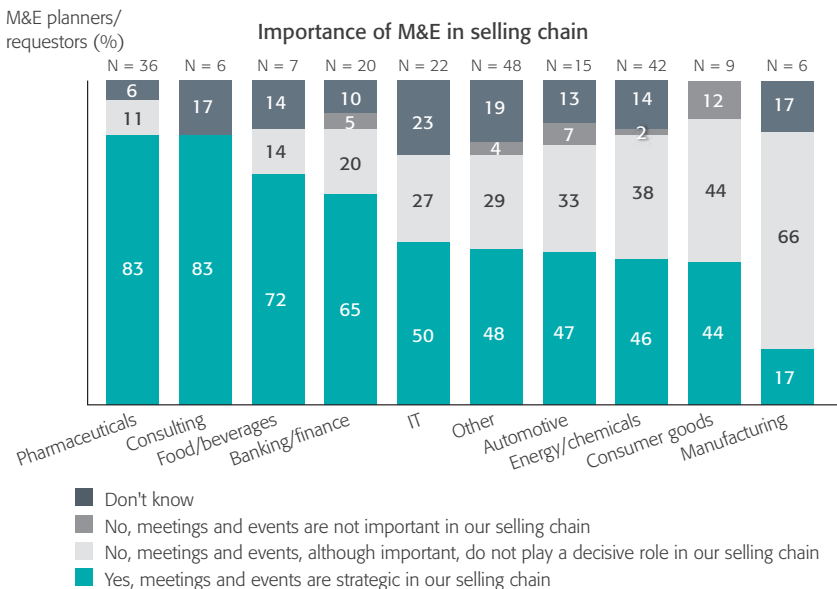
## VIEWS

*"We do not have good visibility on meetings, which are managed locally by business units. We have around 100-200 meetings a year."*—Procurement services group manager, e-commerce player based in the United States

M&E budgets tend to be higher the more strategic companies consider meetings and events (e.g., for motivating large sales forces and keeping them up-to-date on products and services, coordinating teams that are dispersed globally or, in the case of the pharmaceutical industry, reaching key audiences when other forms of communication such as advertising

are restricted by regulation). According to the CWT survey of planners and requestors, companies consider M&E most strategic in the pharmaceutical, consulting, banking and IT industries. These sectors also figure among the top spenders on M&E proportional to their revenues (See Figures 17-18.)

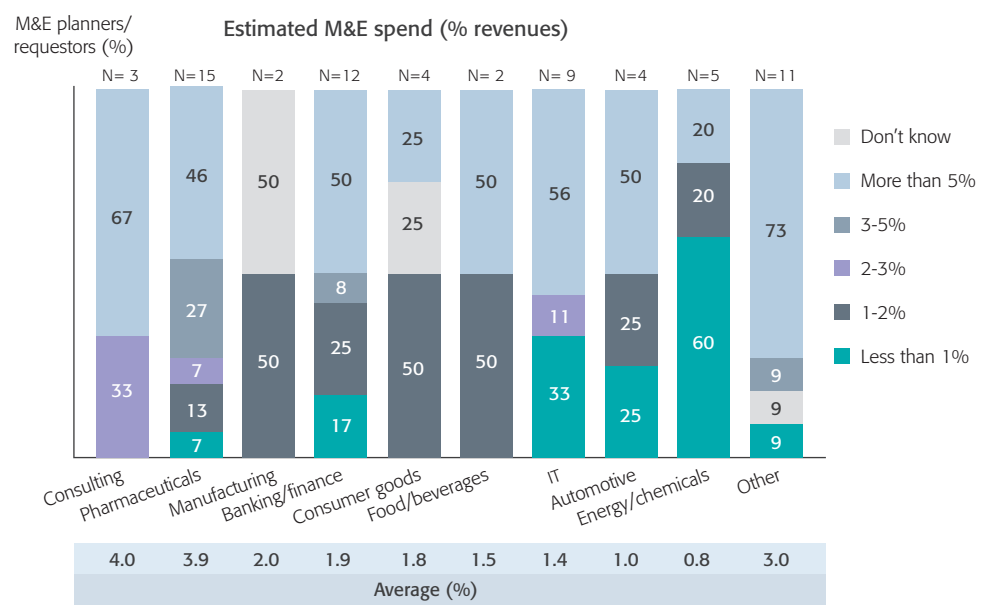
**Figure 17: M&E are considered most strategic in the pharmaceutical and consulting industries**



Source: CWT Travel Management Institute  
Based on a survey of M&E planners and requestors (211 respondents)



Figure 18: Estimated M&E spend is proportionally higher in the consulting and pharmaceutical industries



Source: CWT Travel Management Institute  
Based on a survey of M&E planners and requestors (67 respondents)

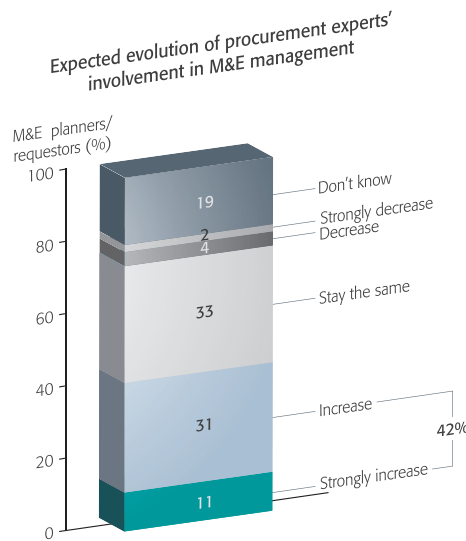


## More formal M&E management within organizations

Companies' visibility of global M&E spend is gradually improving, however, as they

increasingly formalize their M&E management. Procurement experts are more often involved in M&E and 42 percent of surveyed companies expect their involvement to further increase over the next few years (Figure 19).

Figure 19: 42 percent of companies expect procurement experts to become more involved in M&E



Source: CWT Travel Management Institute  
Based on a survey of M&E planners and requestors (222 respondents)

Among the best practices brought by procurement is the consolidation of M&E management at a regional or global level. According to the survey, 30 percent of companies manage M&E globally and 25 percent regionally (Figures 20-21), although this is likely to be an overestimation as the survey sample includes

many large companies with relatively mature M&E programs. The majority of planners and requestors say M&E consolidation has increased over the past five years—either rapidly (43 percent) or somewhat but moving slowly (22 percent), as shown in Figure 22.

Figure 20: 30 percent of companies manage M&E globally

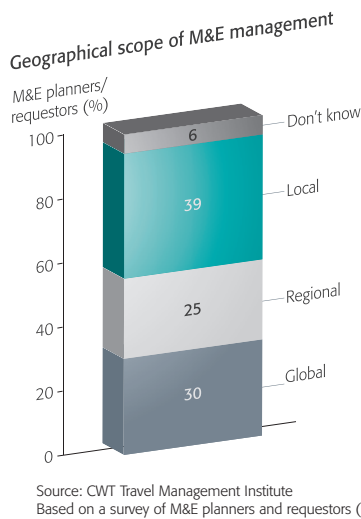


Figure 21: Most companies manage M&E either regionally or globally

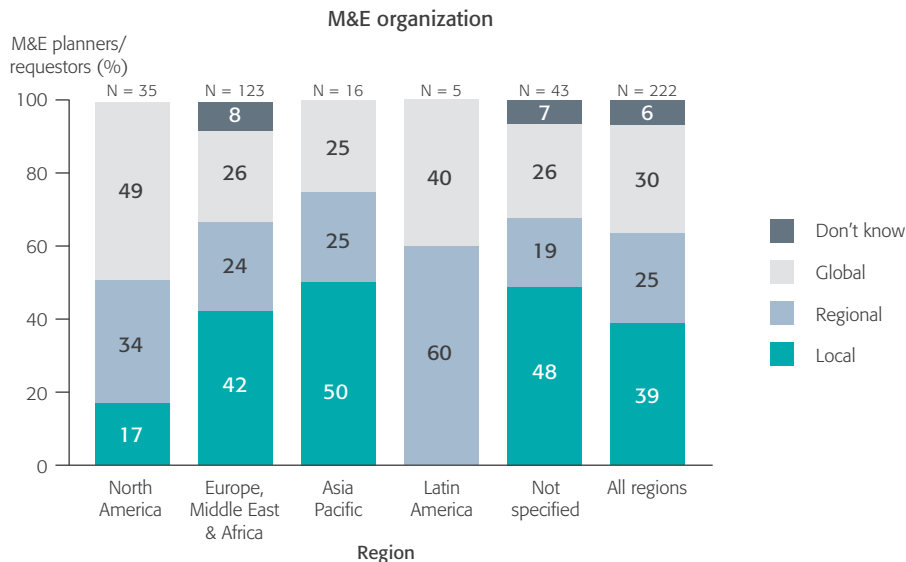
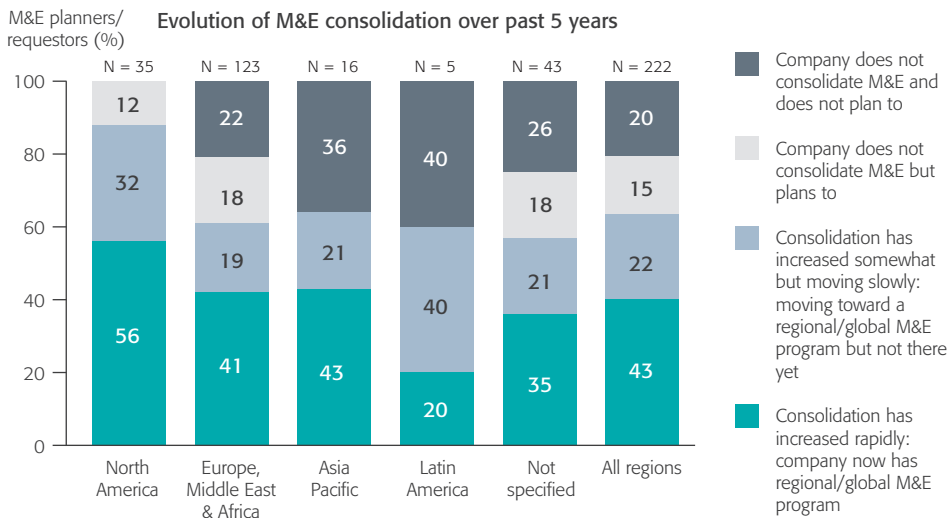


Figure 22: M&E management is increasingly consolidated within companies



## SUMMARY

- Only a third of companies centralize M&E management.
- M&E spend represents an estimated 0.5-1.5 percent of an organization's revenues on average or 35-60 percent of the amount spent separately on transient business travel.
- M&E spend is proportionally higher in industries that consider M&E the most strategic.
- Procurement experts are increasingly involved in M&E management.
- M&E management is increasingly consolidated and most companies already manage M&E regionally or globally.



## 2. Best practices can bring 10-25 percent savings on M&E spend and increase return on investment

CWT has developed a model to calculate the savings companies can achieve when they improve their meetings and events management. According to this model, organizations can save 10-25 percent on average when they adopt best practices in three main areas—sourcing, processes, and policy and compliance—with full support from top executives. In addition to savings, improved M&E management helps improve return on investment, ensuring that M&E serve business objectives.

### 10-25 percent savings in three main areas

CWT calculates savings potential based on improvements in three main areas:

- **Policy and compliance.** Companies can achieve savings by creating or improving an M&E policy and enforcing compliance.
- **Sourcing.** The levers for improving sourcing include working with professional sourcing agencies, selecting preferred suppliers for M&E accommodations and venues, enforcing the use of preferred suppliers, defining standard terms and conditions for M&E suppliers and using group air fares.
- **Optimized processes.** These include, for example, using dedicated technology for meetings and simple events.

Three steps are taken to estimate savings. First, the company's M&E spend is estimated in total and by category (meetings, simple events and major events) and cost item (accommodations/venues, transportation, food and beverage and other expenses).

Second, for each of the savings levers (e.g., using group air fares), CWT estimates a savings percentage based on the client's profile and program maturity. (See Page 36.)

Third, the figures are adjusted to take into account how much of the program will be impacted by improvements. For example, policy and compliance savings can apply to the entire M&E program, whereas savings made by sourcing venues through M&E agencies may apply to only 50 percent of accommodation costs for meetings and simple events.

Using conservative assumptions, savings can reach 10-25 percent over three years, depending on how mature the company's M&E program is. To provide momentum, CWT identifies a number of "quick wins" such as defining and implementing an M&E policy, selecting and using preferred hotels, and standardizing terms and conditions for supplier contracts. Other improvements, such as optimizing compliance and processes, can take longer.

## Varying savings potential depending on M&E program maturity

The less mature a company is in terms of implementing best practices, the greater the savings opportunities. CWT has defined seven key indicators to define whether M&E programs are “emerging” or “mature.” These are:

- **Strategy and approach.** Emerging M&E programs tend to be spread out across organizations with little or no central supervision. In contrast, mature programs take a regional or global approach and are considered a strategic priority by top management.
- **Policy and compliance.** Less mature programs either lack an M&E policy or fail to track and enforce compliance. Mature programs, however, support their M&E policies and preferred supplier programs by communicating widely, monitoring compliance and enforcing mandates in the event of “rogue” behavior.
- **Sourcing.** Best performers outsource as much M&E organization as possible, from designing and coordinating events and logistics to negotiating with end suppliers. The most mature companies build long-term relationships with a limited number of preferred suppliers, while organizing requests for proposals to ensure competitive services.
- **Data management.** Data on M&E spend is often lacking, even though it is the essential starting point for any effective M&E program. The most mature companies consolidate and analyze high-quality, exhaustive data as the basis for ongoing improvements.
- **Performance measurement.** Whereas emerging M&E programs have irregular reporting at best, mature programs

implement permanent, standardized reporting on a wide range of performance indicators, from supplier service to return on investment.

- **Destination analysis.** The most mature companies use dedicated tools to select the most appropriate destinations for events based on costs and other criteria such as the required travel time for participants based in different locations.
- **Processes and technology.** While emerging programs tend to have under-developed processes and poorly adapted tools, the most mature benefit from dedicated online registration and **strategic meetings management tools**.

These seven indicators are summarized in Figure 23.

Figure 23: Seven indicators for assessing M&E program maturity

	Early maturity	Advanced maturity
Strategy and approach	<ul style="list-style-type: none"> <li>▣ Spread across departments/business units or loosely supervised by travel managers</li> </ul>	<ul style="list-style-type: none"> <li>▣ Regional/global approach</li> <li>▣ Endorsed by top management as a top priority</li> <li>▣ M&amp;E owners identified</li> </ul>
Policy and compliance	<ul style="list-style-type: none"> <li>▣ No policy or several non-aligned policies</li> <li>▣ No measure of compliance with M&amp;E policy or use of suppliers</li> </ul>	<ul style="list-style-type: none"> <li>▣ Regional/global policy enforced across business units</li> <li>▣ Widely communicated policy</li> <li>▣ Regular monitoring with follow-up actions in event of non compliance</li> </ul>
Sourcing	<ul style="list-style-type: none"> <li>▣ No preferred suppliers (e.g., M&amp;E agencies, logistics providers and hotels/venues)</li> <li>▣ Spot buying only (e.g., no negotiated group air fares)</li> </ul>	<ul style="list-style-type: none"> <li>▣ A few regional M&amp;E agencies organize M&amp;E and handle sub-suppliers, leveraging concentrated volumes and preferred hotels/venues for recurring events</li> </ul>
Data management	<ul style="list-style-type: none"> <li>▣ Irregular or inexistent reporting</li> <li>▣ Satisfaction measured inconsistently or not at all</li> </ul>	<ul style="list-style-type: none"> <li>▣ Permanent, standardized reporting system</li> <li>▣ Data used for corrective actions (concerning strategy, suppliers, etc.)</li> </ul>
Performance measurement	<ul style="list-style-type: none"> <li>▣ Data captured inconsistently or not at all</li> </ul>	<ul style="list-style-type: none"> <li>▣ Data consolidated and analyzed consistently</li> </ul>
Processes and technology	<ul style="list-style-type: none"> <li>▣ Inexistent or under-developed processes for approval, sourcing or data management</li> <li>▣ Little or no use of online registration or strategic meetings management tools</li> </ul>	<ul style="list-style-type: none"> <li>▣ Streamlined processes</li> <li>▣ Strong use of technology (proprietary or owned by preferred supplier)</li> </ul>

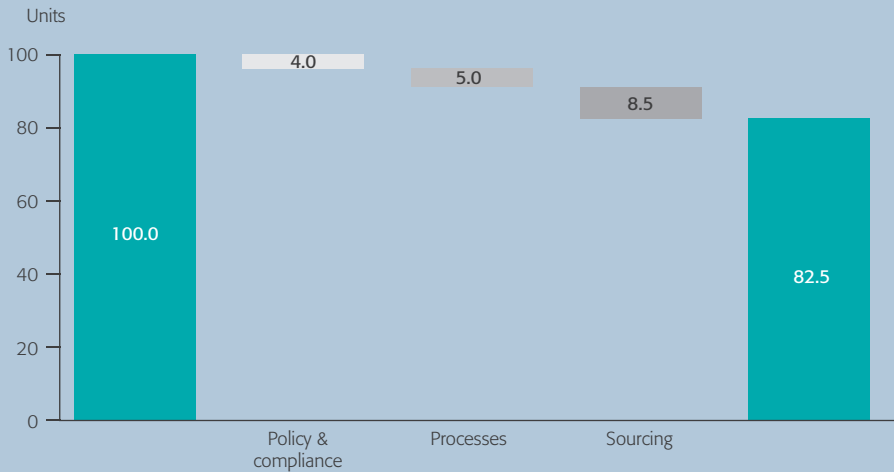
Source: CWT Travel Management Institute

Example: one company can save 17.5 percent on its M&E spend over three years

CWT applied its savings model to a company's M&E activity, which represents an estimated

US\$25 million in spend. The potential savings are estimated at 17.5 percent overall, broken down into sourcing (8.5 percent), optimized processes (5 percent) and policy and compliance (4 percent), as shown in Figure 24.

Figure 24: Estimated savings potential for a company: 17.5 percent of M&E spend over three years



Source: CWT Travel Management Institute





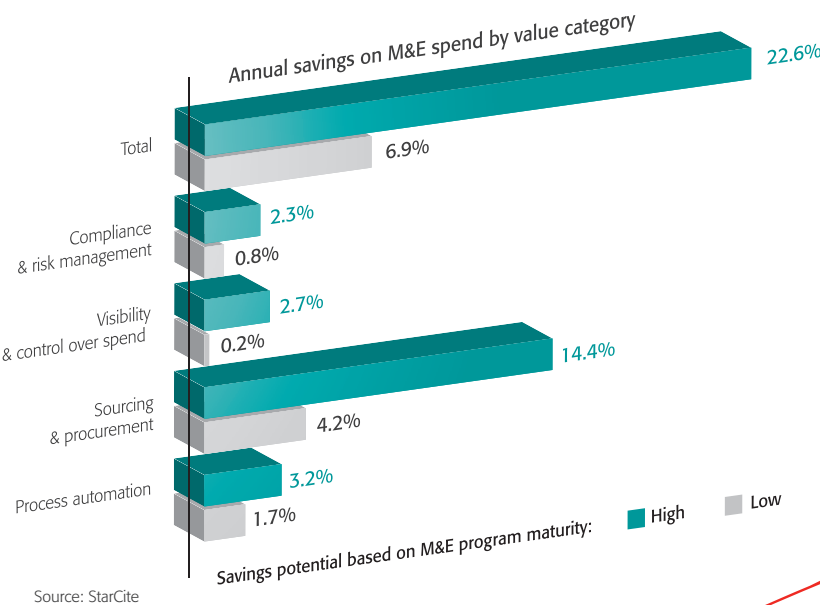
The savings potential identified by CWT is coherent with estimations made by other market players, including CWT's technology partner, StarCite, which uses a *Strategic Value Analysis* model. StarCite applied its model to the results of the CWT survey of M&E planners and requestors and identified potential savings of 7-23 percent in four main areas:

- **Improved sourcing and procurement (62 percent of all potential savings).** Improvements include consolidating preferred suppliers, negotiating group airfares, leveraging M&E spend in negotiations with airlines and negotiating with suppliers to improve on initially quoted rates.
- **Process automation (17 percent).** Companies can make savings by reducing

the time spent sourcing meetings and reconciling invoices, outsourcing registration Websites, and integrating online booking tools and the retrieval of passenger name records for transient business travel.

- **Improved compliance and reduced risk (11 percent).** This involves avoiding penalties, fines and cancellation/attrition fees by respecting industry regulations, standardizing contracts and specifications, and taking out insurance.
- **Enhanced visibility and control over M&E spend (10 percent).** To make savings, companies can implement an M&E policy and approval process, reduce the number of annual meetings and mandate advance booking for air travel.

Figure 25: StarCite's *Strategic Value Analysis* model estimates companies can save 7-23 percent on M&E spend



## A prerequisite: top management support and change management

Any major change can be challenging to implement across an organization, particularly in an area like meetings and events where the stakeholders are numerous, varied and often reluctant to relinquish control over their activities. Departments that are used to handling event budgets and selecting suppliers typically resist handing over this responsibility to procurement experts.

It is important to involve all key stakeholders so that a new, centralized program takes into account their requirements and leverages their expertise. At the same time, full support from top management and key decision-makers is vital to ensure that changes are accepted and the new M&E program is implemented successfully. To gain executive buy-in, a strong business case must be built, starting from an analysis of the company's maturity in M&E management and the potential savings. Although precise figures are not usually available, a realistic estimate can be made, as described on Page 48.

Finally, a well-planned change management program must be carried out to accompany new processes. CWT recommends three main phases:

- **Setting objectives.** This phase identifies key benefits and challenges related to a new M&E program. Usually, interviews and focus groups are carried out to understand the organization's unique context and set the right goals.
- **Developing the change management program.** Here a detailed action plan must address the needs of key stakeholders

and any sensitive issues that could cause resistance.

- **Communicating the plan.** Changes to M&E management must be communicated clearly and consistently to stakeholders so they understand the strategic reasons for action, are aware of the process and timing, and share successful milestones.

## Enhanced return on investment

Effective M&E management does not seek savings at any price. In addition to making processes more efficient and achieving savings, organizations must consider how M&E can best serve business objectives.

Surveyed M&E planners and requestors clearly state that cost is just one of the criteria they consider when making decisions related to M&E management, especially when selecting M&E agencies and venues. (See Pages 86 and 89.)

For example, a company that relies on events to inform sales people and opinion leaders about new products must consider whether restricting the number of participants—and therefore the costs—will be counter-productive to sales. Similarly, its choice of venue will have an impact on the company's image.

If the company organizes a product launch event, a US\$350,000 budget enables 200 sales agents to attend in appropriate conditions, leading to sales of US\$500,000 and a return on investment of 43 percent. When the budget is increased to US\$525,000 and 300 key sales people are invited following a more careful selection process, sales reach US\$850,000. Return on investment therefore jumps to 62 percent despite the higher cost of the event.

Placing too much focus on cost cutting can clearly be detrimental to return on investment, which is a major reason M&E management should involve procurement experts but avoid basing decisions solely on savings objectives. Top performers almost systematically involve a wide panel of stakeholders in their M&E decision-making process to ensure they take a balanced approach.

To maximize return on investment, organizations should implement a step-by-step process that starts with gaining a clearer understanding of

their M&E spend and setting strategic objectives for different categories of meetings and events. CWT has identified eight key steps that are described in the following section (Pages 42-121), including information on evaluating return on investment for major events on Pages 116-119.

## SUMMARY

- Companies can save 10-25 percent of M&E spend on average when they adopt best practices in three main areas: policy and compliance; sourcing; and optimized processes.
- A company's savings potential varies with its maturity in M&E management, which can be measured by seven key indicators: strategy and approach; policy and compliance; sourcing; data management; performance measurement; destination analysis; and processes and technology.
- The savings potential identified by CWT is coherent with estimations made by other market players. For example, the savings model developed by CWT's technology partner, StarCite, indicates savings of 7-23 percent of M&E spend.
- Prerequisites for savings are support from top management and a well-planned change management program.
- Companies should aim to increase return on investment by improving M&E performance as well as achieving cost savings.

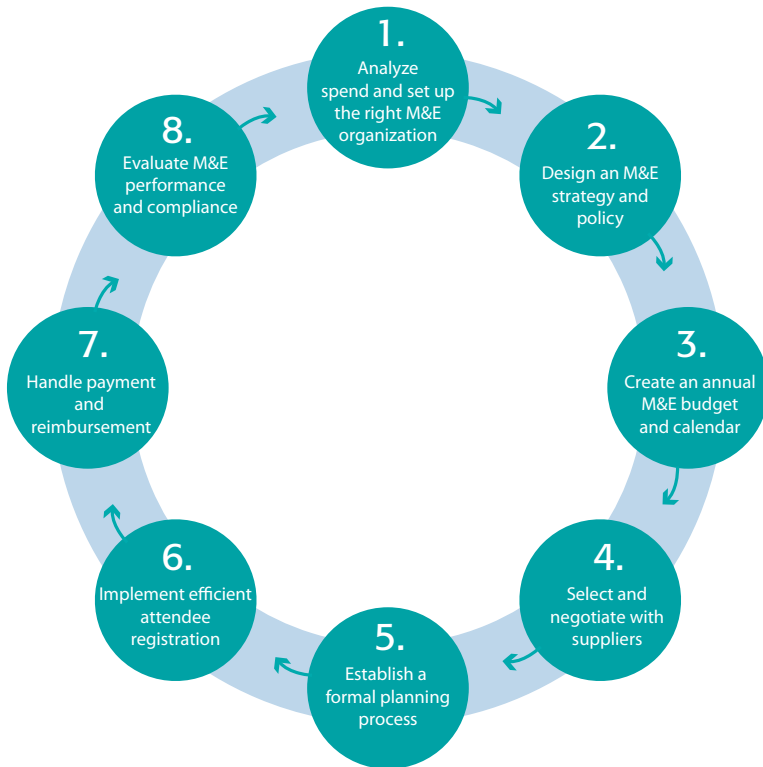


### 3. Eight steps can be taken to optimize meetings and events management

Leading organizations are increasingly taking up the challenge of strategic meetings and events management, introducing processes that reduce costs while increasing return on investment. Based on these best practices, CWT recommends an eight-step approach.

Figure 26: Eight steps to optimize meetings and events management

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## 1. Analyze spend and set up the right M&E organization

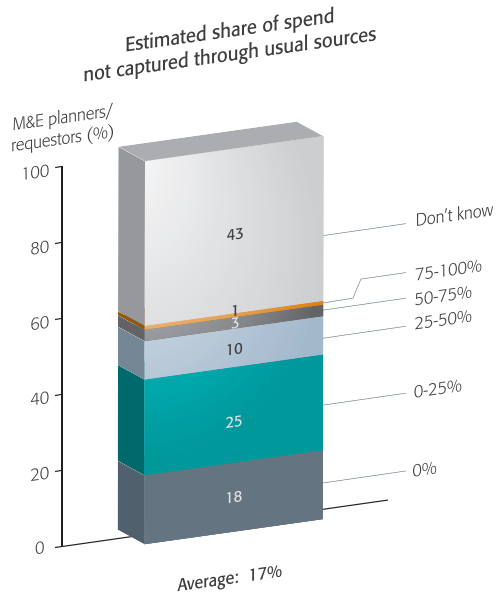
Organizations often lack a clear vision of their total meetings and events spend when M&E activities are carried out by different departments and business units that may not track data. Even a rough estimate of global M&E spend, however, can convince top executives to explore opportunities for increased return on investment. To lay the foundations for effective M&E management, CWT recommends first estimating annual M&E spend and implementing processes to capture and track comprehensive data. Companies should also centralize M&E management, outsource M&E activities and involve procurement experts in the decision-making process.

### Estimate annual M&E spend

Many M&E planners and requestors say they cannot estimate their companies' total M&E spend, let alone provide a breakdown into different M&E categories and types of spend, such as accommodations, meeting spaces and transportation. (See Page 28.) A key reason is insufficient data tracking. On average, 17 percent of spend is missed by companies' usual sources, according to the 57 percent of respondents who are able to provide an estimate. Forty-three percent of planners and requestors say they have no idea how much data they miss, rising to 45 percent in Europe and more than 50 percent in Asia Pacific and Latin America. (The low 12 percent score for North America reflects the greater maturity in the U.S. market but also the fact that survey respondents in this region all use StarCite's strategic meetings management technology, which provides data tracking.) Assuming that companies unable to estimate their data probably capture less than

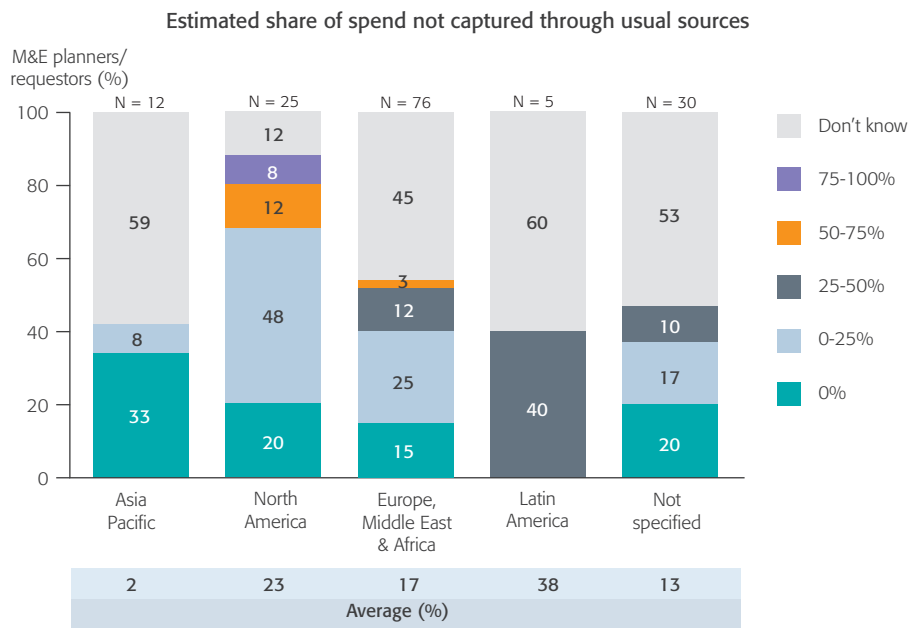
others, it is likely at least a third of M&E spend data is missed on the whole. (See Figures 27-28.)

Figure 27: 43 percent of planners and requestors cannot estimate the proportion of untracked M&E spend data in their organizations

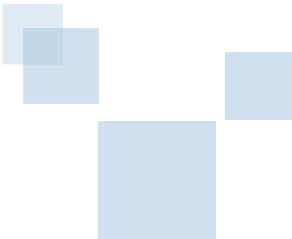


Source: CWT Travel Management Institute  
Based on a survey of M&E planners and requestors (148 respondents)

Figure 28: 12-60 percent of planners and requestors in different regions are unable to estimate the proportion of untracked M&E spend data in their organizations



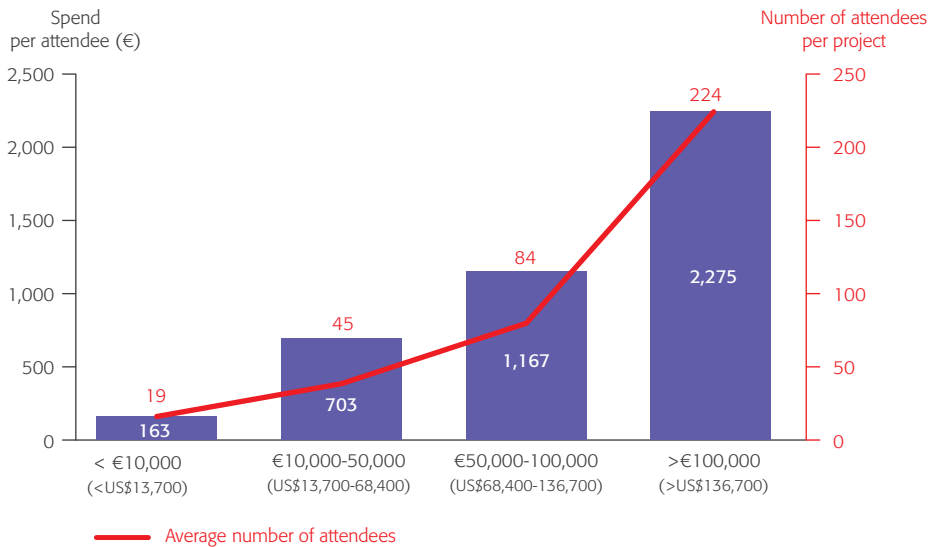
Source: CWT Travel Management Institute  
Based on a survey of M&E planners and requestors (148 respondents)



Meetings and events spend increases considerably with the importance, duration and type of event, due to extra spending on production and marketing. CWT data shows that a two-day meeting with fewer than 20

participants generally costs under €10,000 (US\$13,700), whereas a weeklong event for about 225 participants costs more than €100,000 (US\$136,700) on average. (See Figure 29.)

Figure 29: Average spend per M&E project (Europe, Middle East and Africa)



Source: CWT Meetings & Events, CWT Travel Management Institute  
Based on €152M projects reported (2008)

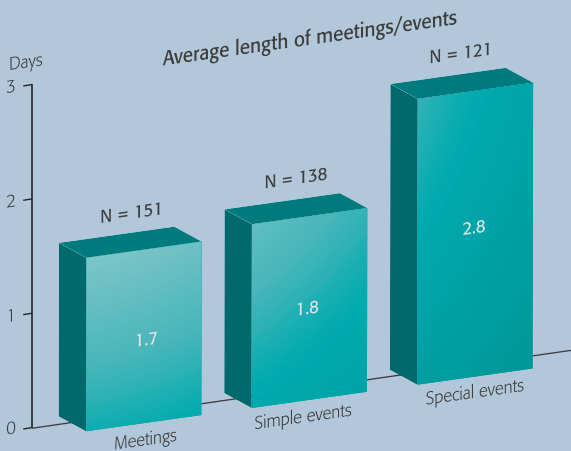
Meetings and events: average duration and number of participants

According to surveyed planners and requestors, meetings and simple events last just under two days on average and special events just under

three. This is confirmed by attendees, who spent just over two days on average at their most recent meeting or event. Small meetings are most common: nearly two-thirds of all meetings and events involve fewer than 25 people. (See Figures 30-31.)

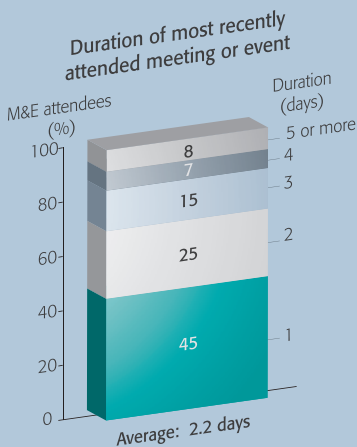
Figure 30: The average duration for a meeting or event is approximately 2 days according to planners, requestors and attendees

Planners and requestors



Source: CWT Travel Management Institute  
Based on a survey of M&E planners and requestors (151 respondents)

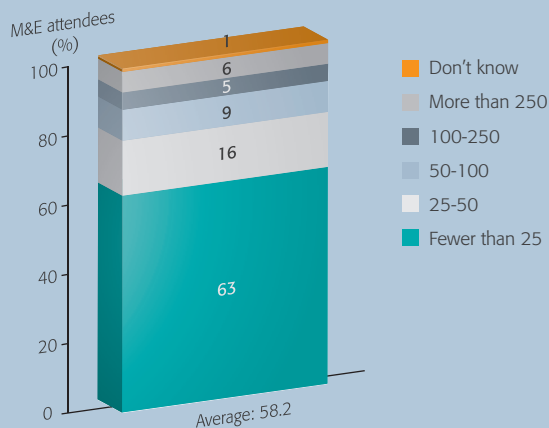
Attendees



Source: CWT Travel Management Institute  
Based on a survey of M&E attendees (2,360 respondents)



Figure 31: Small meetings account for nearly two-thirds of all meetings and events



Source: CWT Travel Management Institute  
Based on a survey of M&E attendees (2,360 respondents)

For a rough estimate of M&E spend, companies can either consider it as a percentage of company revenues or extrapolate it from their budgets for events (i.e., adding an estimate for

the amount spent on meetings). Ideally spend is also broken down into the main spend items. (See Figure 32.)

Figure 32: How to estimate annual M&E spend

1. Basic approach: consider M&E spend as a percentage of revenues

If the relevant M&E spend data is unavailable, organizations can consider M&E spend as a percentage of revenues. CWT estimates that M&E spend represents 0.5-1.5 percent of an organization’s revenues on average, varying between industries. Companies in the pharmaceutical, IT, banking/finance and consulting industries may dedicate as much as 4 percent of their revenues to M&E, while very high-revenue firms may spend less than 0.5 percent.

2. More refined approach: extrapolate total M&E spend from events budgets

For a more refined view of M&E spend, companies can start by aggregating their budgets for events planned for the coming year. Each budget owner should produce a list of projects with information on the destination, the number of attendees and event duration, as well as the expected cost of accommodations,

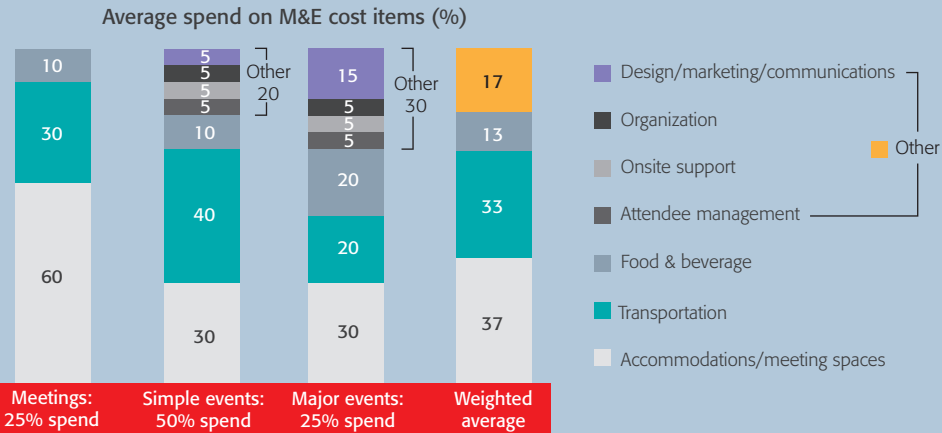
transportation and food and beverage.

Events tend to be easier to track than smaller meetings, which are more numerous and involve smaller budgets. According to CWT, events account for approximately 75 percent of companies’ total M&E spend (50 percent for simple events and 25 percent for special events), even though meetings represent a much greater volume of activity (more than 80 percent). To estimate total M&E spend, the budget for events should therefore be divided by 75 percent.

Breaking down the main M&E cost items

Companies that do not have comprehensive spend data can use CWT’s breakdown of the main M&E cost items for meetings, simple events and major events:

- Accommodations, venues and meeting spaces: 37.5 percent
- Transportation: 32.5 percent
- Food and beverage: 12.5 percent
- Other costs (attendee management, onsite support, organization, design, marketing and communications): 17.5 percent



### Capture and track comprehensive data

To calculate spend more accurately, companies need to capture and track comprehensive data on an ongoing basis. Three guidelines should be kept in mind:

- **Capture data on all types of events organized by different departments or business units in key countries**—both major events that are budgeted at a global level and smaller meetings that are usually organized locally.
- **Define clear cost categories to use across the organization.** This enables companies

to identify the main spend areas and potential savings opportunities (e.g., supplier negotiations based on total volumes).

- **Track both budgeted and actual spend.** This is particularly important when evaluating supplier performance and checking they have applied negotiated rates.

When designing a reporting database, managers should include sufficient data fields to enable M&E spend to be analyzed per project. The recommended fields cover a wide range, from the type of event, accommodations and transportation, to other expenses (e.g. marketing and communication costs), mode of payment and the cost center, as shown in Figure 33.

Figure 33: Recommended data fields for tracking M&E spend

Expense category	Field
Meeting/event	Beginning/end date
	M&E category (e.g., small team meeting, incentive event, training, client event, conference, product launch event, etc.)
	M&E identification code
Accommodations	Hotel category
	Property/chain name
Transportation	Transportation category (air/rail/car)
	Supplier name
	City of origin/destination
	Group air fare used (yes/no)
	Booking data
	Budgeted price/actual price
Other expenses	Location (region/country/city)
	Number of room nights
	Room type
	Rate paid
	Expense sub-category (e.g., design, marketing, communications/organization/onsite support/attendee management)
	Price paid
Payment	Payment type (corporate card/meeting card/other)
Owner	Business unit/department planning or requesting the event

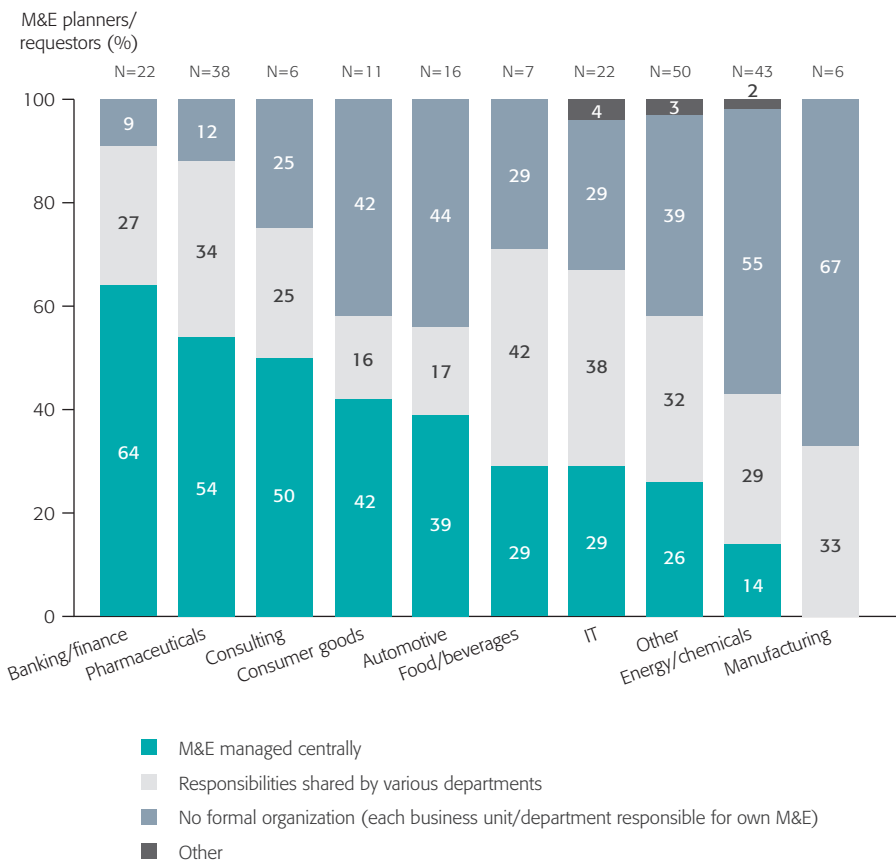
Source: CWT Travel Management Institute

## Centralize M&E management

About two-thirds of organizations manage M&E without central coordination, as described earlier (Page 22). While there is no ideal organization for M&E, central coordination appears most common in sectors that have the most mature M&E programs (Figure 34).

Central M&E coordination can help companies boost the efficiency of all types of events, from setting and implementing a clear policy, promoting compliance and identifying strategic sourcing opportunities, to ensuring the smooth running of events, gathering feedback, capturing data and evaluating performance.

Figure 34: Companies from more mature M&E industries tend to manage M&E centrally



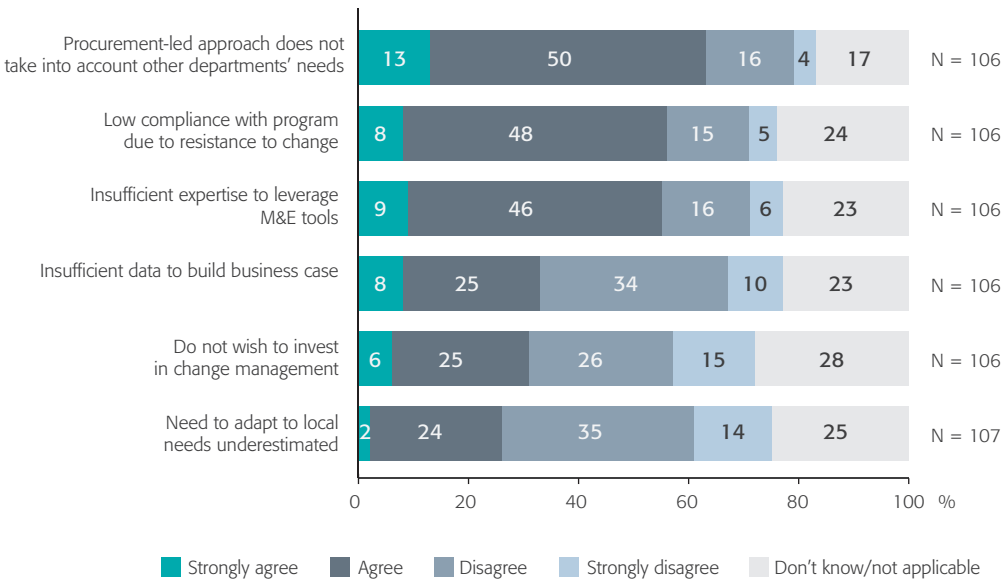
Source: CWT Travel Management Institute  
Based on a survey of M&E planners and requestors (221 respondents)

According to planners and requestors, however, there are three main barriers to implementing central coordination. First, a procurement-led, cost-based approach should not drive all meetings and events as other considerations such as corporate brand strategy must be taken into account (63 percent of respondents). Second, compliance with corporate policy on small meetings tends to be low as the various internal stakeholders resist handing over responsibility for small meetings (57 percent of respondents). Third, the challenges can be greater for companies that do not fully exploit

M&E technology, as is often the case outside North America (56 percent of respondents).

On the other hand, only a minority of planners and requestors say they lack the data to build a business case for central M&E management or the resources to invest in change management. Similarly, only a quarter of respondents say the importance of local meetings and events tends to be underestimated and is a potential problem as centrally led projects must have local support to succeed. (See Figure 35.)

Figure 35: Main barriers to centralized M&E management



Source: CWT Travel Management Institute  
Based on a survey of M&E planners and requestors (107 respondents)

Successfully centralizing M&E organization takes time. Three main guidelines are worth considering:

- **Involve a diverse panel of stakeholders in a collaborative decision-making process.** It is important to balance different priorities so that the procurement department's focus on cutting costs does not overshadow sales or communications objectives (e.g., generating sales leads or reinforcing corporate image). The needs and cultures of various countries and business units should also be taken into account, avoiding a "one-size-fits-all" approach.

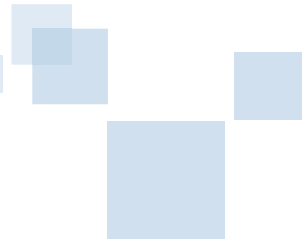
- **Implement a continuous change management program.** Key elements include obtaining top management support for central M&E management, communicating strategic objectives to stakeholders and continually sharing information on progress to build momentum within the organization.

- **Leverage technology** as an enabler of consolidation.

## ↓ VIEWS

*"Communication and marketing departments will continue to be the main decision makers for M&E, but approval from the purchasing department will be increasingly important."*—  
Global sales director, worldwide hospitality chain

*"Many large companies have decided to consolidate their meetings management. In a lot more companies you now have to go through procurement to organize meetings."*—  
Executive director, association of professional meetings planners

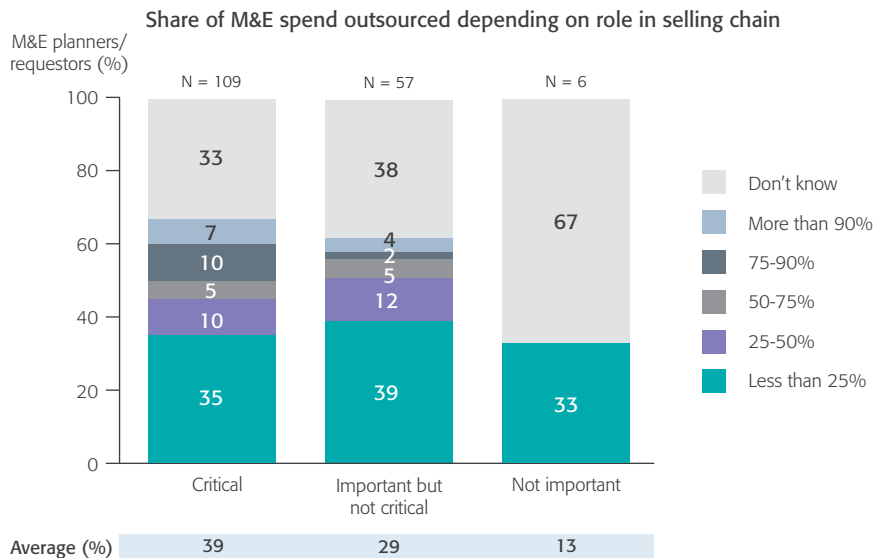


Outsource M&E activities

CWT research shows that the more strategic a company considers meetings and events, the more they outsource M&E tasks. According to the survey, companies that consider M&E strategic ask suppliers to coordinate on average 39 percent of spend, compared with 29 percent for companies that consider M&E less decisive

for their sales. As expected, M&E outsourcing is most common in the industries with the largest M&E budgets: pharmaceuticals (90 percent), IT (68 percent), consulting (67 percent) and the automotive industry (50 percent). Outsourcing is also more common in the more mature North American market: 41 percent of companies compared to 25-34 percent for other regions. (Figures 36-38.)

Figure 36: Companies that consider M&E strategic are more likely to outsource



Source: CWT Travel Management Institute  
Based on a survey of M&E planners and requestors (172 respondents)

Figure 37: M&E outsourcing is more common in industries with the largest M&E budgets

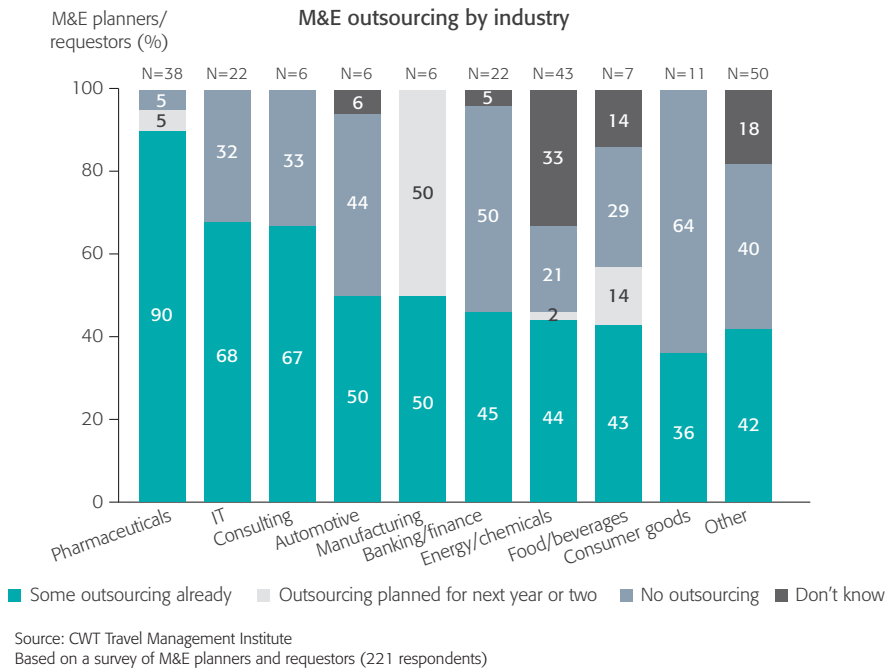
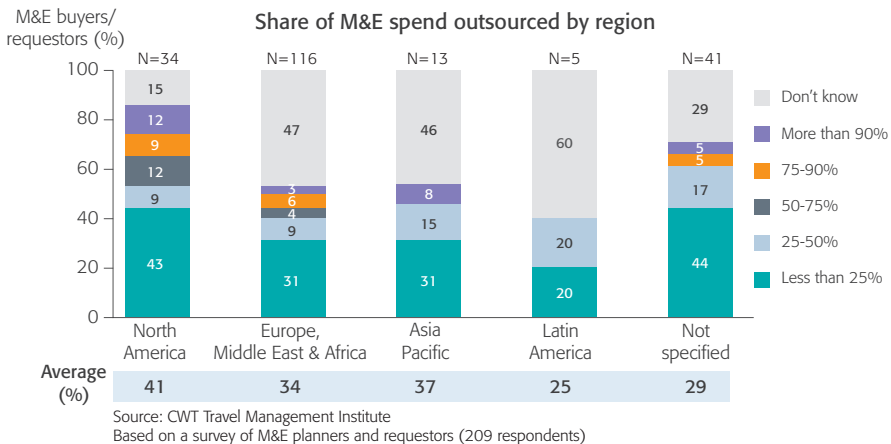


Figure 38: M&E outsourcing is more common in North America





Outsourcing offers several benefits:

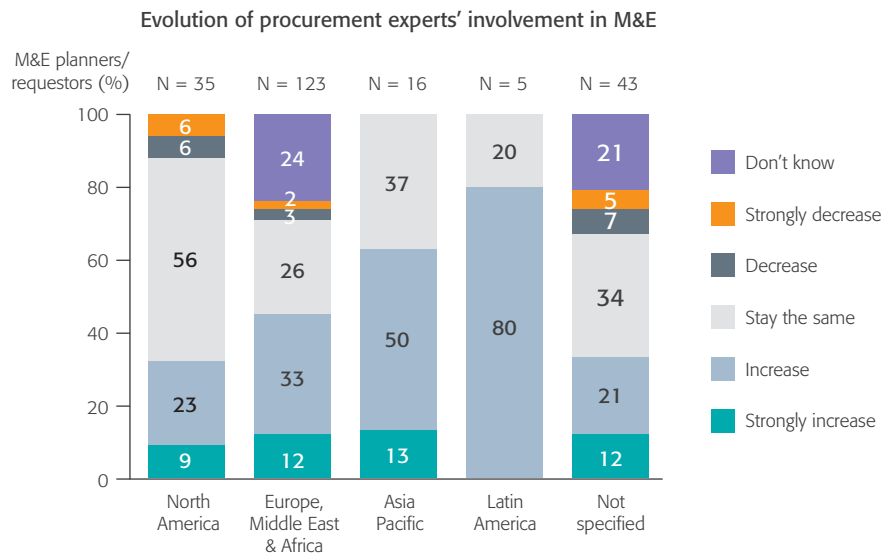
- **Flexible resources.** Organizations may not need dedicated M&E staff all year round or they may need extra staff during periods of peak activity. In addition to providing flexible resources, outside experts remove a burden for human resources managers in terms of managing career evolution opportunities for M&E specialists.
- **Companies can focus on their core business.** Companies can boost performance by delegating M&E coordination to suppliers while maintaining control over strategic decisions.
- **Best practices.** Besides providing knowledge that the organization may not have in-house, specialist suppliers can bring tried-and-tested best practices and innovative ideas that help improve the performance of meetings and events.
- **Facilitated consolidation.** M&E processes are standardized to a certain extent when events are coordinated by a limited number of suppliers instead of each department or business unit.
- **Performance tracking.** Organizations can ask suppliers to use the same key performance indicators for reporting, enabling data to be aggregated and analyzed.

Most M&E planners and requestors (71 percent) say outsourcing is most likely to occur for major events than simple events (15 percent) or meetings (14 percent). This makes sense, considering that larger or more creative events require specialist knowledge and resources that may not be available in the organization. Companies aiming to manage M&E more efficiently may wish to first target the largest events that account for the bulk of spend. Ideally they will work with a limited number of full-service M&E suppliers for large events, at least at the regional level, and logistics suppliers for smaller, simple meetings. Major events can sometimes be a sensitive issue for stakeholders, however, in which case it may be advisable to tackle smaller events first.

### Involve procurement experts

Procurement experts are increasingly involved in M&E, especially in companies that centralize their M&E management. According to the CWT survey, organizations in all regions expect procurement's involvement to grow over the coming years, especially outside the more mature North American market (Figure 39).

**Figure 39: Organizations in all regions expect procurement experts’ involvement in M&E management to grow or at least remain stable over the coming years**



Source: CWT Travel Management Institute  
Based on a survey of M&E planners and requestors (222 respondents)

There is often a wide gap between procurement objectives and implementation, given that professional procurement practices can take time to roll out, especially in regions outside North America. There are clear benefits, however, including streamlined M&E activities, an enhanced purchasing approach and improved negotiations with suppliers.

For best results, procurement specialists work in close cooperation with other stakeholders to balance cost concerns with other considerations and set realistic expectations: suppliers should not be pressured to offer rock-bottom prices to the detriment of creativity, attendee experience and overall quality of service. Ideally,

procurement or travel management specialists do not lead M&E decisions but participate on an equal level with experts from sales, marketing, communications, events management and other departments.

Figure 40 shows examples of best practices in terms of which experts should lead or participate in the management of different types of meetings and events. Often M&E coordination is best delegated to an agency.

Figure 40: Example of best practices for team involvement in M&E

Key step	Meetings/simple events	Special/large events
Analyze M&E spend and organization	Procurement (other organizers: finance/business lines)	Marketing, communication or sales (other organizers: finance/business lines)
Design M&E strategy and policy	Business lines	Marketing, communications or sales
Create an annual M&E budget and calendar	Business lines	Marketing, communications or sales
Select and negotiate with suppliers	Suppliers (logistics providers)	Procurement, marketing, communications or sales (for M&E agency selection) and agencies (for venue selection)
Organize each meeting and event	Suppliers	Suppliers
Manage attendee booking	Suppliers	Suppliers
Handle payment and reimbursement	Suppliers	Suppliers
Measure M&E performance and compliance	Suppliers reporting to procurement	Suppliers reporting to marketing, communications or sales

Source: CWT Travel Management Institute

Seek synergies with transient business travel management

Synergies in M&E and transient travel management can bring benefits in terms of hard-dollar savings and improved processes:

■ **Savings.** Companies can use some of the same preferred suppliers for M&E—in particular, hotels and airlines. For example, preferred airlines may be used for a proportion of flights that cannot be covered by group airfares. In this way, approximately 20 percent more flights can be added to the volumes companies present to preferred airlines when negotiating rates, according to CWT estimates. This can result in significant savings. Companies can also leverage increased volumes when negotiating

with preferred properties, although the opportunities will be limited mainly to hotels located close to their sites, used for meetings more than major events. (See Pages 89-91.)

■ **Improved processes.** The “soft” benefits are at least as important as the hard-dollar savings. M&E management can benefit from best practices implemented by business travel professionals in such areas as tracking and consolidating spend data, selecting and negotiating with preferred suppliers and developing and enforcing policy. Organizations that work with meetings and events specialists at their travel management company can leverage shared processes, while benefiting from the specific expertise required for M&E.

## Σ SUMMARY

Best practices for analyzing M&E spend and organizing resources include:

- Estimating total M&E spend to help build a business case for change
- Capturing and tracking comprehensive data for a more accurate view of M&E spend and performance
- Centralizing M&E management for more efficiency and control
- Outsourcing M&E management for a wide range of benefits
- Involving procurement experts and other stakeholders in the decision-making process
- Seeking synergies with transient business travel management



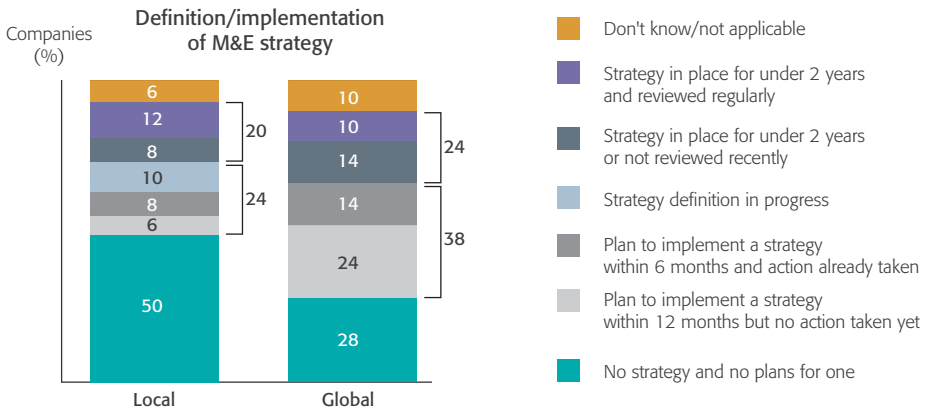
## 2. Design an M&E strategy and policy

Companies should draw up a strategy based on the different categories of meetings and events, defining strategic objectives, supplier management, processes and policy. Their M&E policy should support this strategy by setting precise rules for organizers of meetings and events. Although all the relevant stakeholders across an organization should be consulted to obtain input and buy-in, it is important to designate ownership of the policy to facilitate day-to-day management and promote compliance.

## M&E strategy: setting the right framework

According to data from *CWT Diagnostic*, an assessment tool for business travel programs, few companies have an M&E strategy (20 percent at a local level and 24 percent at a global level). Although some companies plan to implement one over the next 6-12 months (20 percent locally and 38 percent globally), more of them do not (49 percent locally and 29 percent globally). (See Figure 41.)

Figure 41: Few surveyed planners and requestors say their companies have an M&E strategy



Sources: CWT Travel Management Institute  
Based on *CWT Diagnostic* data (49 companies)

To get the most from their budgets, companies should set specific strategic objectives for each of the three main M&E categories—meetings, simple events and major events. A road map should then be developed for each category, defining milestones for consolidation, process improvements and supplier management.

**M&E policy: key to improving M&E management**

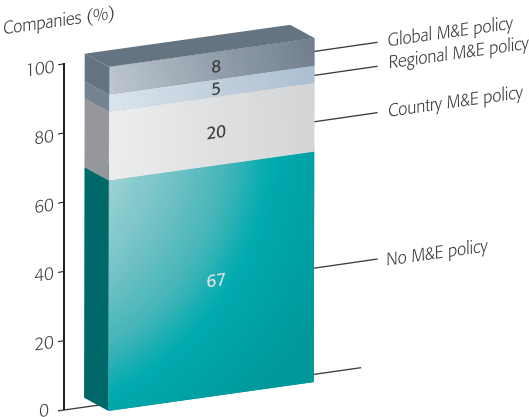
Even fewer companies have an M&E policy—just 8 percent globally, 5 percent regionally and 20 percent locally—compared to 67 percent do not (Figure 42). A key reason is that many stakeholders, such as marketing experts, organize meetings and events mainly for external audiences and therefore do not consider a policy relevant.

VIEWPOINTS

*"We do not have a formal policy for M&E management or calculate ROI precisely. To be honest we haven't given it that much thought."*—Marketing director, global sportswear company

*"We now have a mandated policy that says every meeting requiring at least 10 room nights must be registered through the system. We use a series of questions to determine the appropriate category of meeting or event defined by the business/functional units."*—Director of global sourcing, global pharmaceutical company

**Figure 42: Only 13 percent of organizations have a global or regional M&E policy**

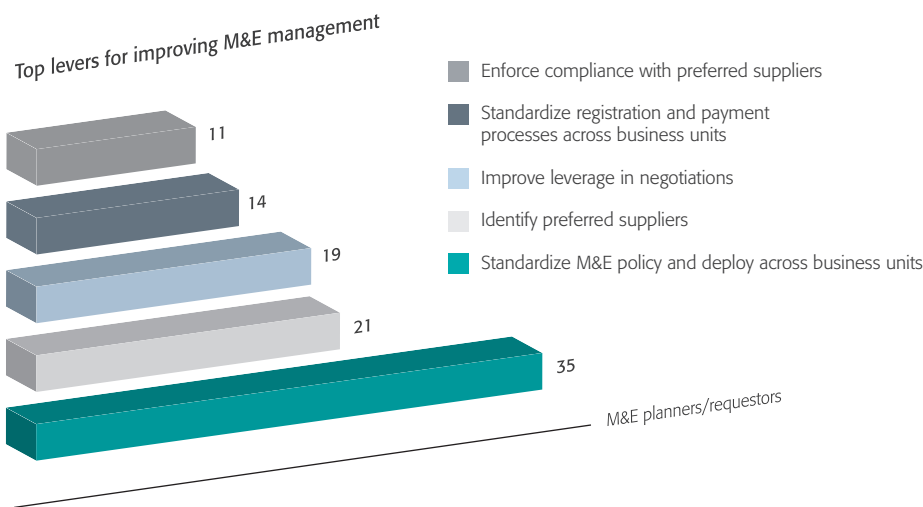


Source: CWT Travel Management Institute  
Based on CWT Diagnostic data (988 companies)

At the same time, M&E planners and requestors rank policy/strategy first among the levers for improving M&E management. Thirty-five percent of respondents identified standardizing and deploying M&E events policy as key, before identifying preferred suppliers (21 percent),

improving bargaining power in negotiations (19 percent), standardizing registration and payment processes across business units (14 percent) and enforcing compliance with preferred suppliers (11 percent), as shown in Figure 43.

Figure 43: M&E strategy/policy ranks first among the levers for improving M&E management



Source: CWT Travel Management Institute  
Based on a survey of M&E planners and requestors (169 respondents)

## Design an effective policy

An effective M&E policy must strike the right balance between detail and clarity, covering the main points concisely so they are easy to understand and referred to regularly by planners and attendees.

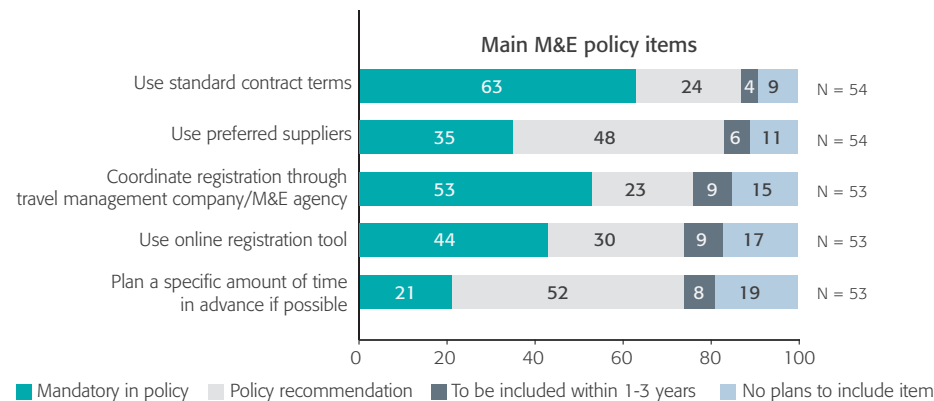
Guidelines should be provided for different types of meetings and events, stipulating which are appropriate for meeting various business objectives. Some companies introduce approval processes even for small meetings and configure registration tools to collect information about the reasons for meetings.

Where possible, rules for meetings and events should tie in with an organization's policy for transient business travel as many items overlap,

especially transportation and hotel reservations. Spend items that are specific to M&E, such as meeting room equipment and catering, can be addressed by distinct guidelines.

The policy should apply to all business units and regions—local teams can suggest adaptations if necessary. Moreover, CWT research<sup>1</sup> shows that compliance is significantly higher when policy items are presented as requirements rather than simple recommendations, and when employees know their actions will be tracked and sanctioned in the event of unjustified non-compliance.

Figure 44: Key items included in M&E policies as guidelines or mandates



Source: CWT Travel Management Institute  
Based on a survey of M&E planners and requestors (54 respondents)

<sup>1</sup> *Playing by the Rules: Optimizing Travel Policy and Compliance* (2008)



CWT recommends including the following main policy items for organizing meetings and events:

- **Use standard contract terms with suppliers.** Companies can create set texts for contracts to maximize consistency across business units and regions. In this way procurement expertise is shared, helping local managers set objectives and negotiate more effectively with suppliers. Eighty-seven percent of surveyed planners and requestors say they already have standard contract terms in their policy, 63 percent making them mandatory. (See Figure 44.)
- **Use preferred suppliers.** By using preferred suppliers, organizations can ensure more consistent levels of quality in their M&E program while making processes more efficient. In particular, spend can be more easily consolidated, improving data tracking and boosting overall volumes presented in negotiations to reduce costs. Unsurprisingly, 83 percent of planners and requestors say their companies include this item in their policies, although only 35 percent mandate it. Ideally the policy should stipulate the circumstances in which external suppliers can or should be used, considering the type of event, spend volume and available internal resources. Guidelines can also be provided on which preferred suppliers to use for which type of event.
- **Ensure end-suppliers meet health, safety and security standards.** The company's requirements can be written into the standard contract terms and conditions for agencies and end suppliers such as venues and caterers. For example, contracts with venues can stipulate standards for food safety, fire risks, first aid, emergency preparedness, electrical safety, personal security and so on. The policy can also require internal meetings planners or

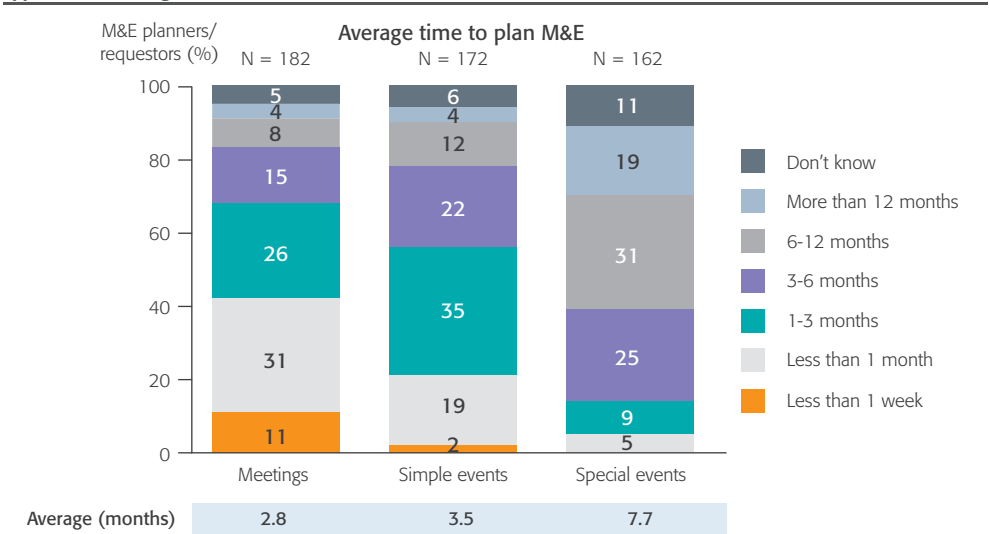
mandated agencies to visit venues to check their suitability.

- **Take out the relevant insurance.** Organizations should make sure M&E attendees are covered in terms of travel, medical and accident risks while they travel as part of a more general risk management strategy.
- **Coordinate registration through preferred M&E agencies or logistics providers.** Doing so not only facilitates the registration process for attendees, but also promotes the use of preferred suppliers and facilitates spend tracking. This holds true for smaller meetings as well as major events, which are outsourced more often. According to the CWT survey, 76 percent of companies already include this item in their policy and 53 percent make it mandatory.

- **Use an online registration tool.** Online tools speed up registration as attendees can enter much of the required data by simply checking boxes or selecting options. By improving data quality, such tools also facilitate centralized coordination and reporting. Companies that do not have their own online interface can use one provided by a technology company such as StarCite or an M&E agency. Seventy-four percent of companies say they use online registration for M&E.
- **Plan meetings and events well in advance.** Advance registration enables companies to pay lower rates with suppliers such as airlines and hotels while facilitating overall organization. According to the survey,

73 percent of companies have included this item in their policies and 21 percent mandate it. Companies plan on average two to three months in advance for meetings, three to four months for simple events and more than seven to eight months for special events (Figure 45). Based on best practices observed among clients, CWT recommends planning at least a 30 days ahead for small meetings, 60-90 days in advance for larger meetings, 6-12 months for major events and more than 12 months ahead for special events.

Figure 45: Companies organize M&E on average 3-8 months in advance depending on the type of meeting or event



Source: CWT Travel Management Institute  
Based on a survey of M&E planners and requestors (182 respondents)

■ **Use a single payment method and specific cost code for each meeting or event** to facilitate data tracking and budget reconciliation. For example, companies can use a corporate meeting card, as described on Pages 108-111.

■ **Consider the impact of meetings and events on the environment.** Besides reducing a company's carbon footprint and supporting corporate social responsibility, "going green" enables companies to make savings while improving employees' work-life balance.

A green M&E policy typically includes:

- ▣ Choosing venues and suppliers that demonstrate "green" credentials. For example, many hotels have introduced waste recycling, reduced water consumption and energy saving measures such as energy-efficient light bulbs and sheet and towel changes only upon request.
- ▣ Choosing destinations that minimize the total travel for participants, holding meetings at or near the company's sites whenever possible

▣ Minimizing the distance between meeting venues and accommodations

▣ Preferring rail travel, a carbon-lighter alternative to air

▣ Managing demand for M&E with virtual meeting solutions such as Web meetings, videoconferences or telepresence when appropriate—typically for some small meetings that do not require a high level of interactivity between participants. (See Pages 68-73.)

▣ Implementing carbon offsetting for accommodations, meeting venues and transportation.

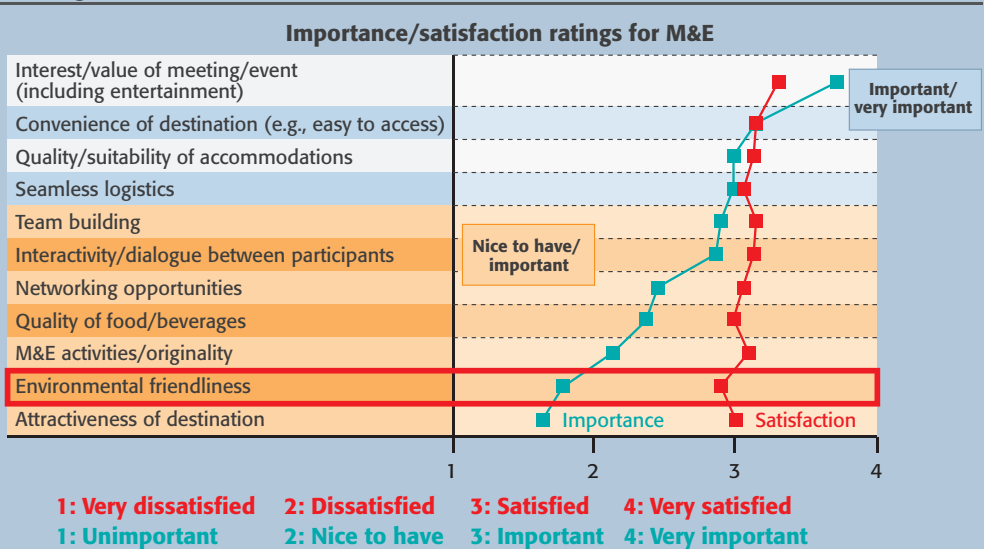


## Green meetings and events

Socially responsible companies consider the environment when selecting or evaluating venues, although “green” concerns still carry less weight than many other criteria. Surveyed M&E

planners and requestors rank health, safety and the environment 7th out of 11 selection criteria (see Figure 65 on Page 86), while attendees rank environmental friendliness 10th, as shown below.

Figure 46: Attendees rank environmental friendliness 10<sup>th</sup> out of 11 criteria for evaluating a meeting or event

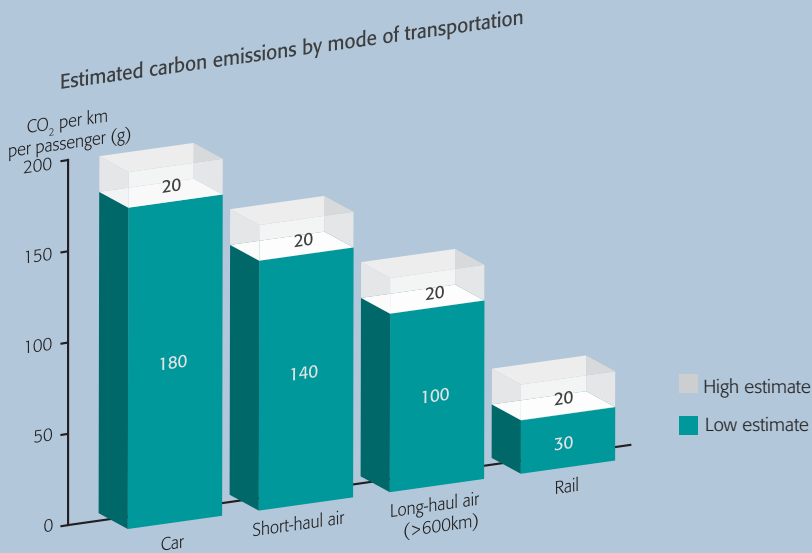


Source: CWT Travel Management Institute  
Based on a survey of M&E attendees (1,983 respondents)

A green M&E policy aims to minimize the impact on the environment in terms of carbon emissions, waste generation and the use of natural resources. All aspects of meetings and events should be considered, from travel and accommodations to catering, entertainment and other services.

To help companies consider the impact of meetings and events on the environment, CWT estimates that a hotel room night accounts for roughly 30-35 kilograms (66-77 pounds) of carbon per room night, while different modes of transportation produce 0.03-0.20 kilograms (0.06-0.44 pounds) per passenger per kilometer (0.62 miles), as shown in Figure 47.

Figure 47: Travel produces 0.030-0.200 kg of carbon emission per kilometer per passenger



Source: CWT Travel Management Institute  
Note: 1km = 0.62 miles, 600km = 373 miles, 1g = 0.035 ounces

### Involve key stakeholders and designate ownership of the M&E policy

As noted earlier, M&E responsibilities are generally spread out in organizations and are most often managed by the marketing, communications, travel management, procurement and sales departments. It is important to involve all these stakeholders in policy design to obtain the relevant input

and buy-in across the organization. To drive efficiency, however, M&E should be led by a single department with support from top management, which is especially important for making policy updates and maximizing compliance. When there are no central M&E teams, a policy owner should be identified to handle requests, questions and ongoing updates. (See Pages 120-121 for compliance best practices.)

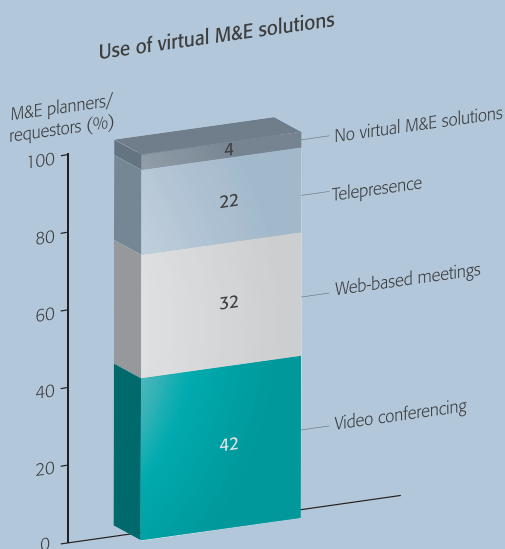
## ↓ VIEWS

*"I would advise clients to customize their strategic meetings management program by company culture: one-size-fits-all does not work. They should also get buy-in and support from senior executives and key stakeholders: a lot of well designed programs fail because of a lack of support."*—Chief strategist, M&E strategy consultancy in North America

### Virtual meetings: worth considering in specific cases

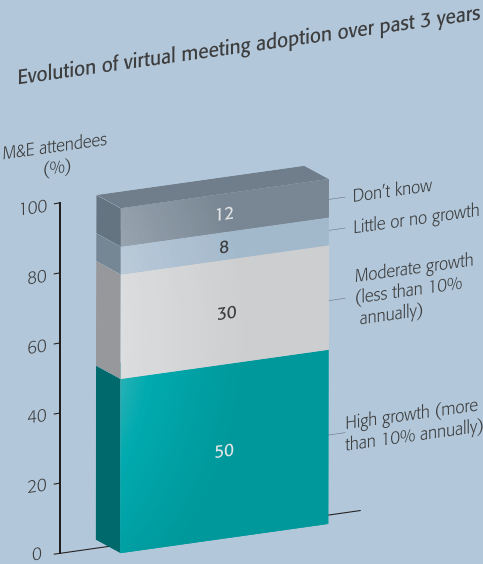
Technological developments and increasing cost pressure have led to strong growth in the use of virtual meetings and events. These include online meetings, Web conferences, Webinars, videoconferences and telepresence, a greatly enhanced form of videoconferencing with high-definition video, real-time audio and larger screens that give participants the impression they are in the same room. Today 96 percent of surveyed M&E planners and requestors say they use virtual meetings and 80 percent have observed growth in virtual meetings in their companies over the past three years. (See Figures 48-49.)

**Figure 48: 96 percent of companies use virtual meeting solutions**



Source: CWT Travel Management Institute  
Based on a survey of M&E planners and requestors (171 respondents)

**Figure 49: 80 percent of M&E attendees say the use of virtual meetings has grown in their companies**



Source: CWT Travel Management Institute  
Based on a survey of M&E attendees (1,871 respondents)

A number of factors have made all kinds of virtual meetings more attractive: improved technology and increased cost pressure, as well as a focus on limiting the corporate carbon footprint and increasing employees' productivity and work-life balance.

In particular, telepresence is becoming more popular for small meetings, with the number of rooms installed in companies rising from an estimated 2,000 globally in 2008 to roughly 3,500 in 2009. Moreover, the number of rooms installed in hotels and other public spaces is forecast to rise from a dozen or so in 2009 to about 100 in 2010 as more providers enter the market. Although the solution is costly to install (approximately US\$1 million for a minimal pair of rooms, all costs included), some multinational companies have been attracted by features such as plug-and-play usability, high-quality images and sound and the ability to manage reservations through common electronic agendas. The high occupancy of telepresence rooms makes the cost per hour comparable to videoconferencing, which is about 10 times cheaper to install but attracts lower usage rates. The cost and features of different meeting solutions are shown in Figures 50-51.

Figure 50: Comparison of Web conferencing, videoconferencing and telepresence features

	Web conferencing	Videoconferencing	Telepresence
Look and feel	▶ Computer screen	▶ From computer screen with Webcam to TV screen with eyeball-tracking camera	▶ Multiple microphones, speakers, high-definition monitors, cameras, dedicated networks and boardroom-quality furnishings
Constraints	▶ Possible to see information but not participants	▶ Inferior quality compared to telepresence ▶ Small screens more difficult to use for larger groups. ▶ Less interactivity	▶ Space required (23x23-foot rooms) ▶ High upfront costs if rooms are owned
System costs (capex)	▶ Pay-as-you-go: US\$0.10-0.50/min/user ▶ Annual subscription: US\$250-7,000/year	▶ Desktop hardware: US\$500-5,000 ▶ Group hardware: US\$5,000-50,000	▶ Ownership costs: US\$100,000-400,000/room (hardware costs including installation, shipping and warranty) + US\$150,000-200,000 for server ▶ Rental costs: US\$300-1,000/endpoint/hour
Other costs (opex)	▶ Additional costs if VoIP audio technology used	▶ Operating costs: \$500-\$2,000 + cost of installing ISDN lines if necessary	▶ Operating costs: US\$5,000-10,000/room/month + cost of installing ISDN lines if necessary

Source: CWT Travel Management Institute

Figure 51: Economics of videoconferencing and telepresence

	Unit	Videoconferencing	Telepresence
Acquisition costs (capex)	US\$ (000s)	35,000-50,000	300,000-400,000
Monthly maintenance and network costs (opex)	US\$ (000s)	1,000-2,000	8,000-10,000
Average usage	Hours per week	2.5-4	20-25
Costs over 3 years*	US\$ per hour	197-212	204-211

\*[Acquisition costs + monthly maintenance and network costs x 36]x1,000+average usage x 4 x 36

Source: CWT Travel Management Institute

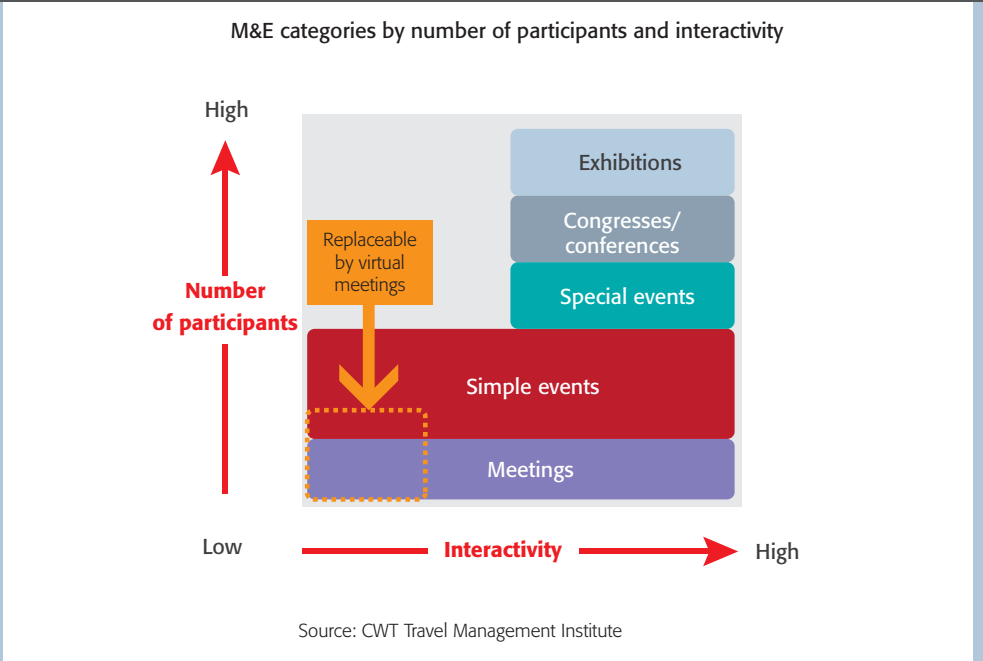
Based on market research and client interviews



Two key factors determine whether virtual meeting solutions are a viable alternative to face-to-face meetings when all parties have the necessary technology: the number of participants and the required level of interactivity. As shown in Figure 52, virtual solutions are best

used for small meetings and simple events that have fewer than 20-30 attendees and require relatively little interaction between participants (e.g., internal update meetings). In addition, shorter meetings are generally easier to conduct virtually than longer ones.

Figure 52: Virtual meeting solutions are best for small M&E with little interaction between participants



According to the CWT survey, many M&E planners and requestors see potential for virtual meeting solutions—mostly to replace a limited number of small meetings (68 percent), simple events (50 percent) or to a lesser extent, special events (21 percent) over the next few years.

Attendees’ opinions, however, are more mixed. Fifty-seven percent say virtual meetings could replace small meetings and 52 percent say

they are suitable for simple events. At the same time, 52 percent admit virtual meetings cannot replicate the quality of face-to-face meetings in terms of attention and interaction between participants, and a resounding 82 percent agree virtual meetings cannot replace large events due to the need for in-person contact. (See Figures 53-54.)

Figure 53: M&E planners and requestors see potential for virtual meetings

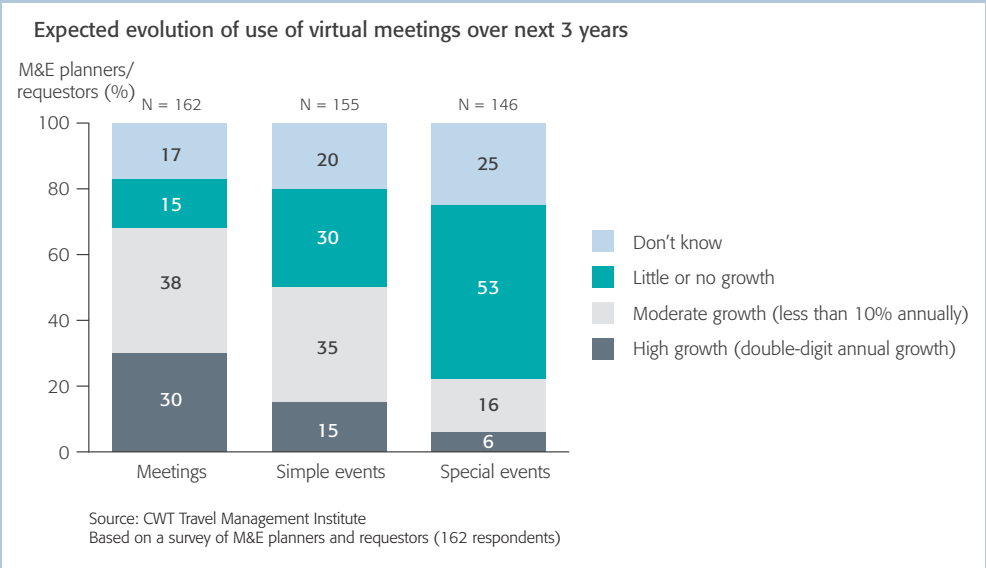
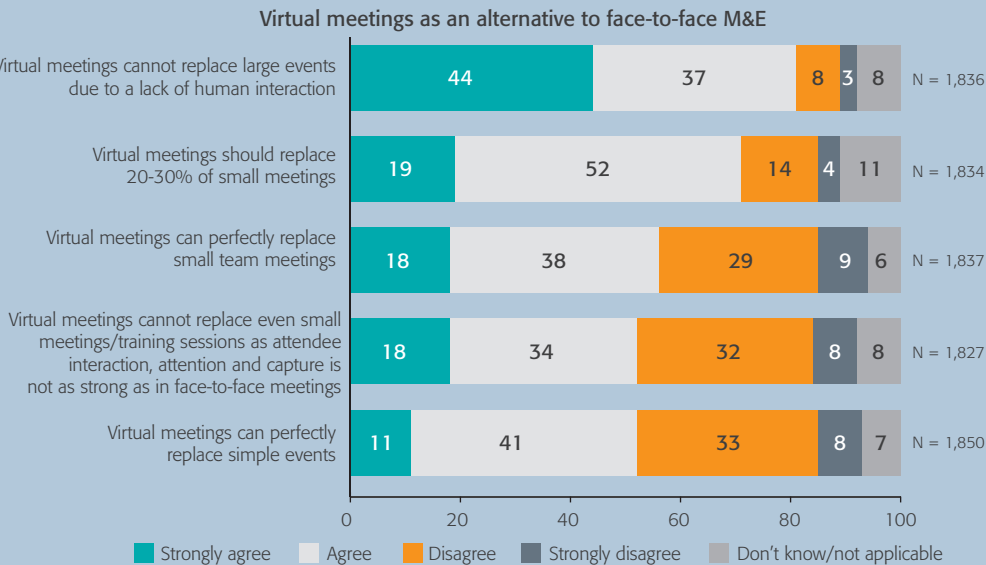


Figure 54: Attendees' perceptions of virtual meetings are mixed



## VIEWS

*"Events are not threatened by technologies. Actually we are moving toward more emotion in this field. The more 'cyber' companies are, the more they will organize events to counter this and 'humanize' their companies."*—M&E vice president, global travel management company

*"I don't think of virtual meetings as cannibalizing the M&E market so much as rationalizing it with better, clearer rules and criteria for 'go/no-go' "*—Chief development officer, association of meeting planners

*"If the meeting needs to be highly interactive, we should probably have a face-to-face encounter, but if it is simply informative and all parties have the necessary technology then a virtual meeting is encouraged."*—Global strategic sourcing director based in North America

*"Web conferences are mainly used for training purposes. It is a very practical tool when you need to train people on new software. [...] We have video conference rooms but they are not commonly used as the quality of the image and sound is a big issue."*—Global travel manager, online retailer in the United States

*"Our telepresence occupancy rate has been very high. You have to book weeks in advance if you want to get a room."*—Integrated communications marketing manager, IT company, France

M&E policies should specify the sorts of meetings for which virtual solutions are recommended or required—not just as an alternative to face-to-face encounters but also as a cost-effective way to increase interactions between teams. For example, a virtual meeting could be organized between monthly face-to-face meetings to reinforce collaboration between internal team members based in different locations. Virtual meetings can also be considered for many same-day trips, which may require considerable travel for relatively little face time. As a general rule, virtual solutions may be suitable for tasks such as updating internal teams, briefing senior executives and dispensing training, while face-to-face contact remains critical for reaching objectives such as generating sales, concluding deals and negotiating with suppliers. In addition, they can serve as a fallback solution in the event of crises. For example, when the European skies

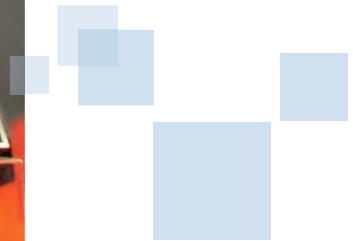
were closed following the volcanic eruptions in Iceland, a medical association quickly organized a Webinar to replace an international conference that would otherwise have been cancelled.

More guidelines for M&E policy are discussed on Pages 59-74.

## SUMMARY

Key points regarding M&E strategy and policy:

- Most companies recognize the importance of an M&E policy although few have one.
- Guidelines for organizers should include suitable types of M&E, contract terms and preferred suppliers.
- An effective policy sets out clear and concise guidelines with mandates for best results.
- For internal attendees, the policy should focus on when and how to register as well as how to pay for expenses.
- The policy should be designed with input from multiple stakeholders but managed by a single department or policy owner.
- Virtual solutions can be worth considering, particularly for small meetings that do not require significant interaction between participants.
- Many companies consider the environment when designing their meetings and events policies.



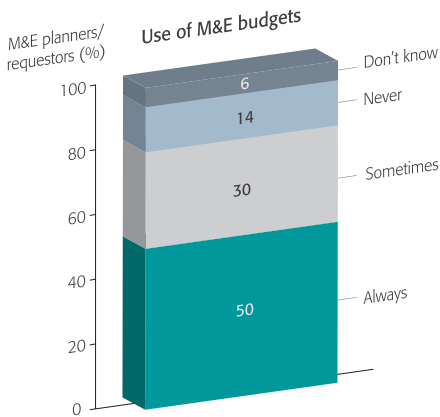
### 3. Create an annual M&E budget and events calendar

Organizations should budget and plan meetings and events annually to make the best use of their resources. If comprehensive data is lacking, companies can estimate their global M&E budget based on their largest events, which represent the bulk of spend. Tracking these events in a centralized calendar can improve managers' visibility of M&E activity, as well as provide benefits such as alerting organizers to the availability of cancelled meeting space that could be reused.

#### Create an annual budget

Fifty percent of surveyed M&E planners and requestors say they always have a specific budget in mind when planning events, while 30 percent say they do so occasionally and 14 percent do not have a budget.

**Figure 55: 50 percent of planners and requestors have a budget for each event**



Source: CWT Travel Management Institute  
Based on a survey of M&E planners and requestors (183 respondents)

At the same time, few companies set an annual budget for all meetings and events, mainly because M&E are not coordinated centrally or are separate from general travel and entertainment expenses.

CWT suggests the following best practices for annual planning and budgeting:

- **Set budgets first for the most important events.** These events—all large and some simple events—represent the bulk of M&E spend and usually require approval from senior executives. They need to be planned well in advance with specific budgets broken down into detailed cost categories.
- **If possible, other M&E should also be budgeted and approved case by case** to ensure they serve specific business needs and comply with M&E policy. At the very least planners should request written approval for a total amount although ideally the process involves detailed costing and a compliance check. Companies can automate the approval process to maximize efficiency.
- **Aggregate budgets** in each M&E category from each department and business unit to arrive at a global budget. If data is lacking, companies can extrapolate expected total spend from their budgets for the most important events, bearing in mind that these tend to account for 65-70 percent of spend.
- **Use standard cost categories for M&E spend across the whole organization** to enable consistent reporting and performance measurement. These cost categories should be distinct from other travel and entertainment expenses to

facilitate data tracking. The basic cost items to track are accommodations, venues and meeting spaces; transportation; food and beverage; attendee management including technology; onsite support; organization; design, marketing and communications; and attendees' expenses.

- **Reconcile actual spend with budgeted amounts** to analyze performance and produce more accurate data that can be leveraged in negotiations with suppliers.

## ↓ VIEWS

*"Some events are easy to anticipate (annual seminars, annual recruitment fairs, etc.) but others are very variable. For instance, here at corporate communications we depend a lot on the company's news—if we launch a new supermarket or if there is an acquisition..."*  
—External relations manager, supermarket chain, France

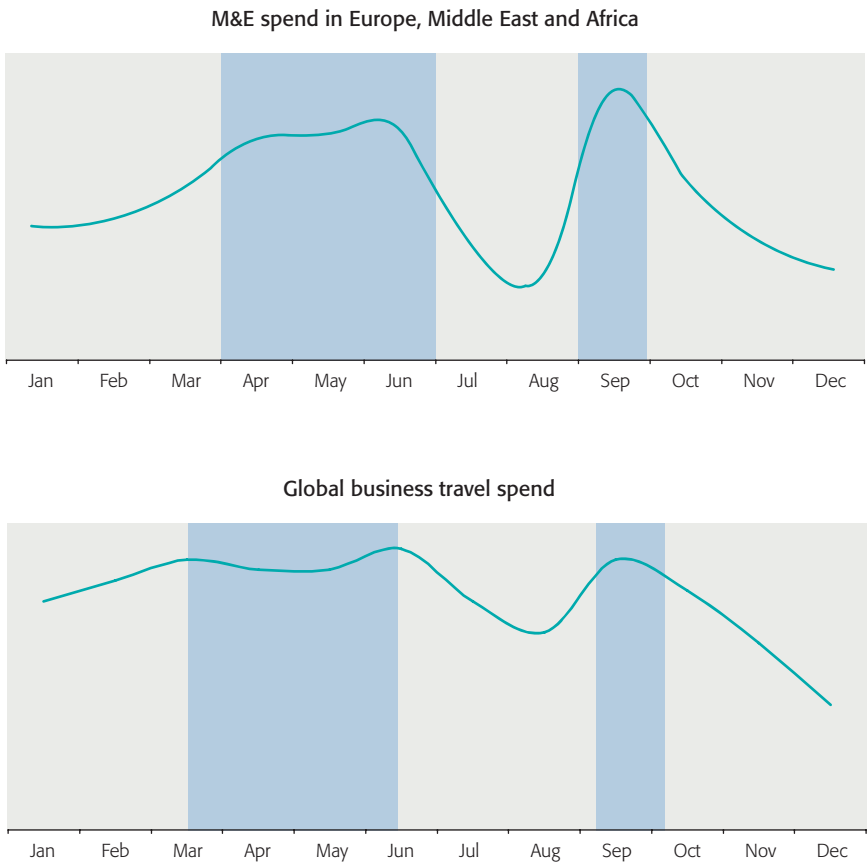
*"We don't have a clear view of all the meetings that are handled at the business unit level but the majority of our spend is on large annual events. We are very close to 80/20 volume, 20/80 value estimates."*—Procurement services group manager, international electronic goods retailer

### Keep an annual events calendar

A centrally managed annual M&E calendar provides organizations with a clearer vision of expected spend and necessary resources, bringing benefits such as increased bargaining power with suppliers and the ability to reallocate venue space or other services in the event of cancellations.

Central planning can also help organizations better manage peaks in activity at certain times of the year. As shown in Figure 56, M&E activity follows a similar pattern to business travel but with stronger variance, tending to dip sharply during July and August and peak in September.

Figure 56: M&E activity tends to peak in September after a dip in July and August, showing more variance than the similar pattern observed in business travel



Source: CWT Travel Management Institute  
Based on CWT data (2008)

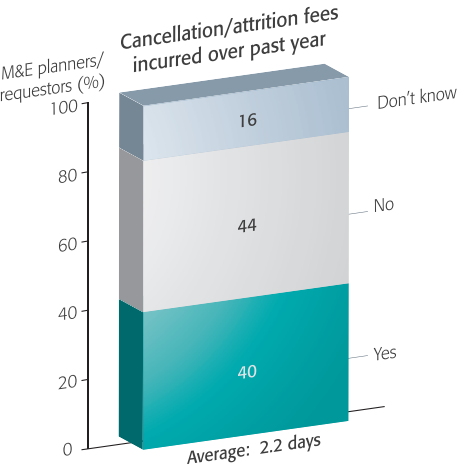
CWT recommends implementing a single M&E calendar that lists at least all major events with relevant information including:

- Organizer
- Type (e.g., team/department meeting, conference, client event, training, client marketing event, sales incentive event)
- Destination
- Start and end dates
- Number of attendees
- Budget
- Suppliers (e.g., M&E agency, transportation company and hotel or other venue)
- Cancellations

This calendar should be managed by the central owners of the M&E program with clear guidelines on who may view and edit information. Strategic M&E management tools bring value here, notably by helping centralize data and automate processes such as informing all M&E planners of a cancellation involving pre-paid or part-paid meeting spaces that could be used for other events. This is important as cancellation costs can be significant, especially in a tough economic climate. Forty percent of surveyed planners and requestors on average say they have incurred cancellation fees over the last 12 months, or up to 68 percent depending on the industry, reflecting cost cuts made during the financial crisis. As expected, sectors that spend the most on meetings and events incur the most penalties. When incurred, penalties account for an estimated 20 percent of total M&E spend on average, varying significantly depending on when cancellations are made. The later the cancellation, the more expensive the penalty, which can reach 100

percent in some cases. (See Figures 57-59.)

**Figure 57: 40 percent of companies have incurred M&E cancellation penalties over the past year**



Source: CWT Travel Management Institute  
Based on a survey of M&E planners and requestors (175 respondents)

**Figure 58: Industry sectors that spend the most on M&E incur the most cancellation penalties**

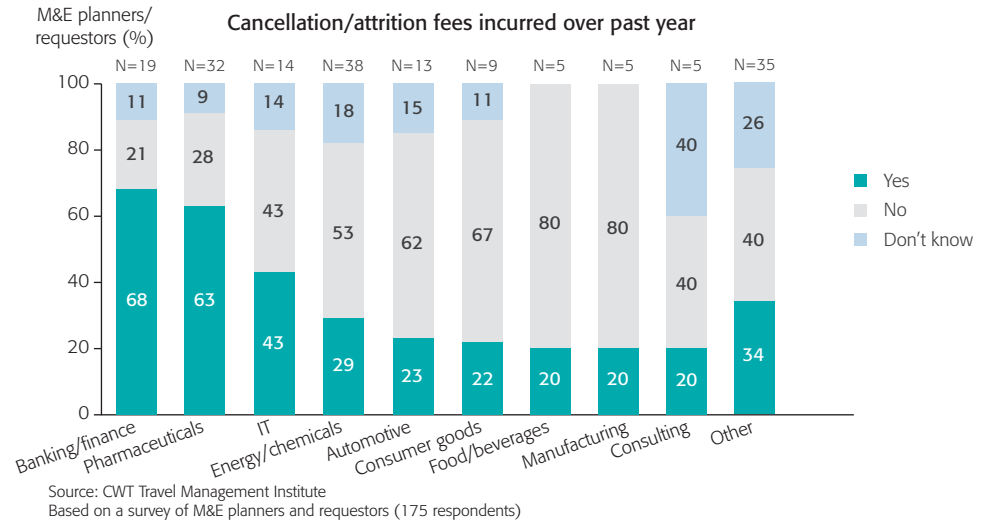
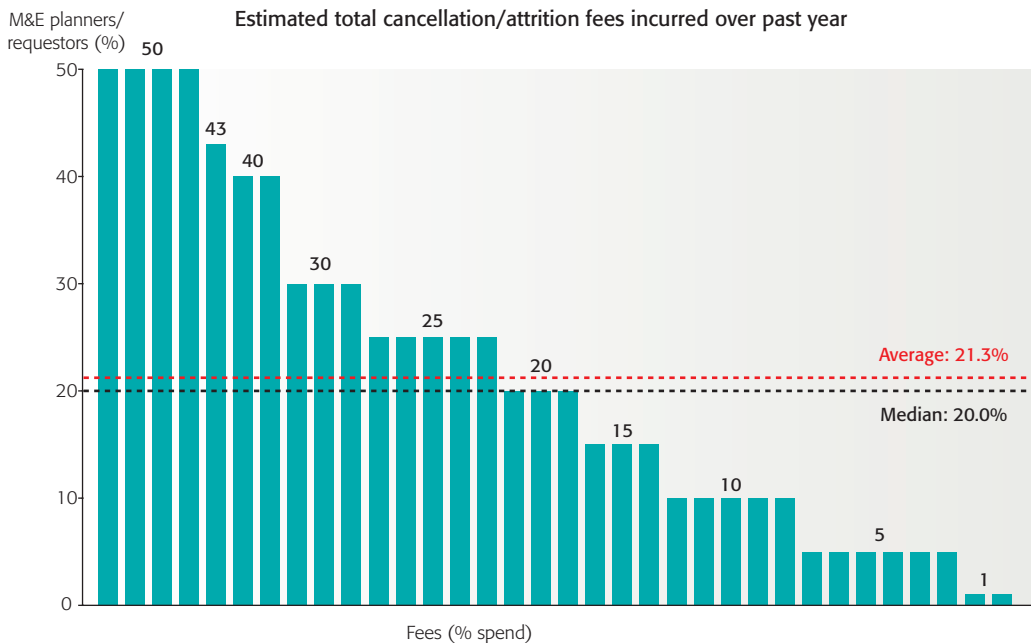




Figure 59: M&E planners and requestors estimate cancellation penalties at 20 percent of total M&E costs on average



Source: CWT Travel Management Institute  
Based on a survey of M&E planners and requestors (34 respondents)

## SUMMARY

Best practices for annual M&E planning include:

- Budgeting the most important events first, using detailed cost categories
- Using standard cost categories for M&E, distinguishing them from other travel and entertainment expenses
- Keeping an annual M&E calendar to help manage resources and unused meetings space

## 4. Select and negotiate with suppliers

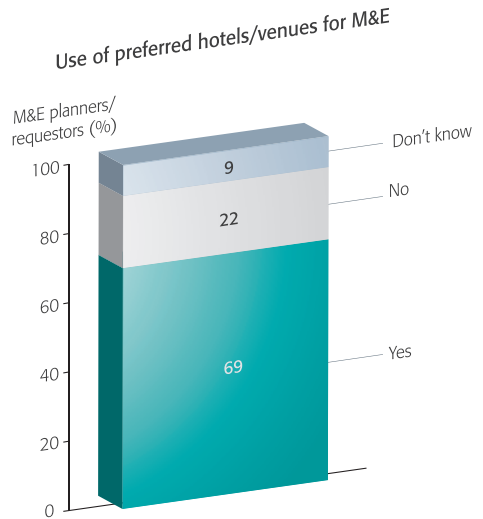
Working effectively with the right suppliers enables companies to leverage outside expertise while reducing costs. Many organizations work with preferred agencies for large events, while the most mature also outsource the coordination of small meetings to logistics partners. This section discusses best practices for selecting and collaborating with suppliers, as well as how to get the most out of negotiations.

### Strategic sourcing: key to improving M&E performance

Surveyed M&E planners and requestors acknowledge the importance of strategic sourcing. As explained on Page 61, they rank identifying preferred suppliers and improving leverage in negotiations as the second and third most useful levers for improving M&E management after standardizing and deploying an M&E policy.

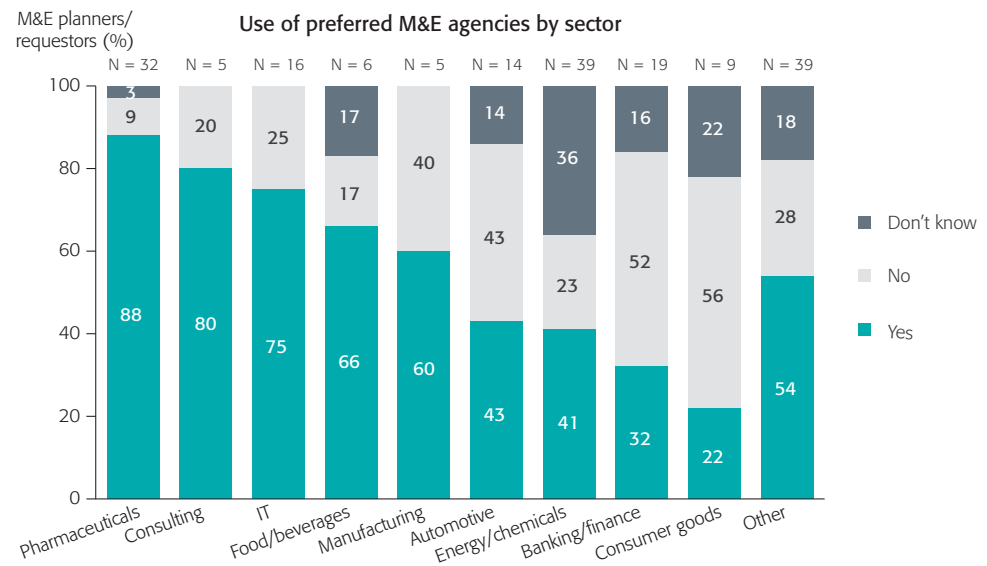
The majority of planners and requestors work with preferred suppliers at some level. Sixty-nine percent say they have some preferred hotels and venues, while 22-88 percent work with preferred M&E agencies, depending on the industry. (Preferred agencies are more common in industries that tend to have the most mature M&E programs). (See Figures 60-61.)

Figure 60: 69 percent of companies have preferred hotels/venues for M&E



Source: CWT Travel Management Institute  
Based on a survey of M&E planners and requestors (184 respondents)

Figure 61: Industries with the most mature M&E programs are the most likely to have a list of preferred M&E agencies

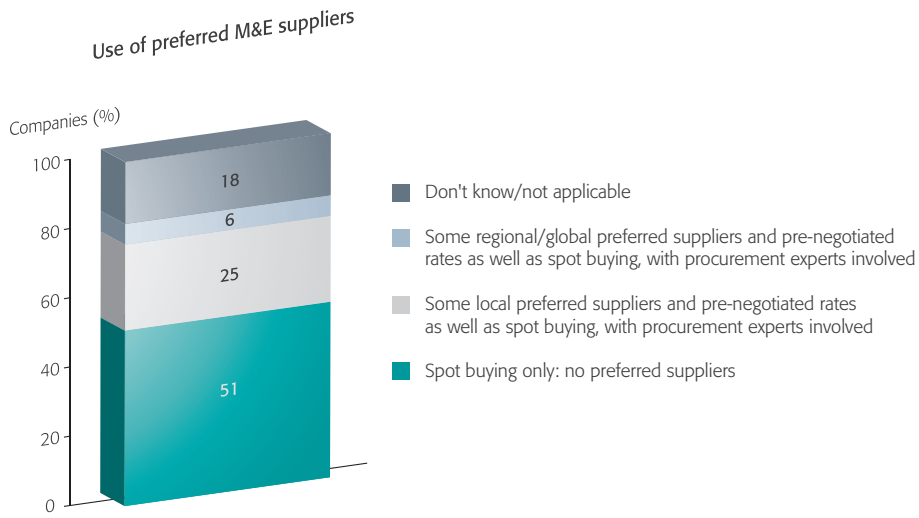


Source: CWT Travel Management Institute  
Based on a survey of M&E planners/requestors (184 respondents)

Despite companies working with preferred suppliers, most M&E sourcing occurs on an ad-hoc basis. According to *CWT Diagnostic* information, 51 percent of respondents always

spot buy, compared to 31 percent who pre-negotiate rates with some suppliers at a local, regional or global level with the help of procurement experts (Figure 62).

Figure 62: 51 percent of companies prefer spot buying to pre-negotiating rates with preferred M&E suppliers



Source: CWT Travel Management Institute  
Based on CWT *Diagnostic* data (49 companies)

Selecting preferred suppliers

CWT offers advice for selecting the main M&E suppliers, which include full-service M&E agencies, specialist suppliers such as logistics providers, technology providers and end suppliers such as airlines and hotels:

- Focus first on building relationships with a limited number of M&E agencies within multi-year framework agreements. For example, a company might have one lead agency for one type of event, combined

with one agency per country for all other meetings and events. These agencies would work within three-year contracts with the possibility of a two-year extension before renegotiating terms. Consolidated sourcing offers benefits such as working with experts who understand the company's culture and business needs and who are able to align strategic business objectives with the M&E program.

## ↓ VIEWS

*"Internal events are the fastest growing segment as all companies tend to outsource more and more of these activities. Outsourcing for external events is already high. If external events are still managed internally, there is usually a good reason for it."*—Development director, global M&E agency

*"If I have the time I will send a request for proposal to event organizers (generally three to five) and ask them to pitch. I don't have a shortlist of preferred providers. However I work with around 10-15 agencies. Depending on the type of event I will work with different agencies as they don't have the same capabilities."*—External relations manager, supermarket chain

*"Generally speaking, clients try to commoditize the small meetings segment as much as possible, but if they need expertise or a high level of logistics management, they will use intermediaries or professional congress organizers. The value of these players is in the complexity, in project management and in getting discounted prices due to the high volumes of business they handle. [...] We are seeing more and more agencies sending their people to work at a client's office."*—Chief development officer, association of professional meetings organizers

### Requests for proposals for selecting partner M&E agencies: what to include

Companies that wish to set up framework agreements with M&E agencies should consider the following key selection criteria:

- **Geographical presence.** Successful meetings and events require knowledge of local cultures and markets to create the right experience and impact. Close relationships between M&E planners or requestors and local agencies are key.
- **Scope of required services and service levels.** A request for proposal should clearly set out the client's requirements, not only in terms of deliverables (e.g., attendee feedback) but also general service quality (e.g., response time for requests).
- **Track record.** Potential vendors should provide credentials in events organization, including client references from industries with similar M&E needs if possible.
- **Team configuration.** It is useful to see the profile and experience of each person on the team, with a breakdown of roles and responsibilities.
- **Ability to provide data.** Organizations need comprehensive, detailed data on each event to track spend and performance effectively. The data should include the event duration, number of attendees, spend and suppliers.
- **Technology.** The agency should provide information on which systems and processes it uses (e.g., for reporting).

Figure 63: Sample evaluation grid for selecting a partner M&E agency

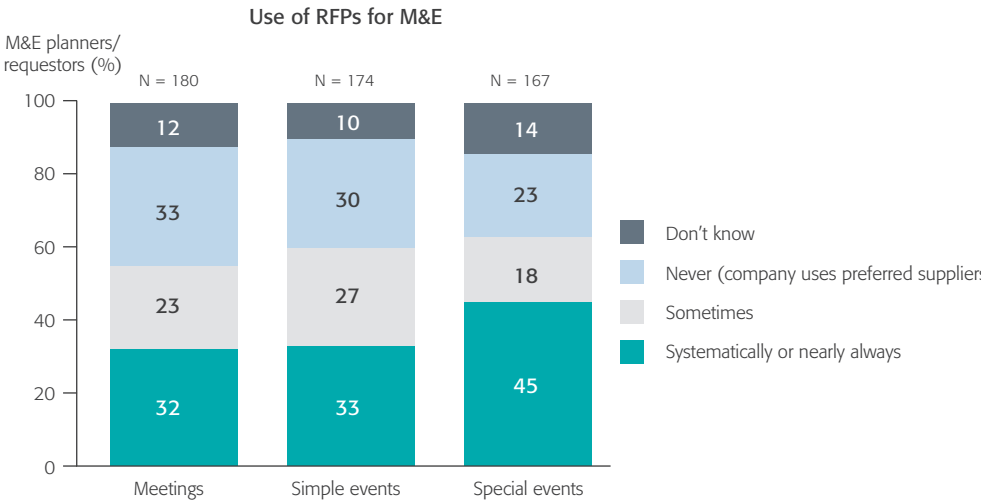
Criteria	Very good (4)	Good (3)	Poor (2)	Very poor (1)	Weighting	Weighted score	Comments
Capabilities/ offering							
General management							
Geographical presence							
Health, safety and security							
Internal processes							
Language skills of operational team							
Motivation (attitude /interest shown)							
Price							
Relationships with end suppliers							
Technology							
Track record of operational team							
Understanding of client's requirements							
Overall score							

Source: CWT Travel Management Institute

■ **Consider organizing requests for proposals (RFPs) for major events, even when already working with preferred agencies.** This is important for ensuring vendors' services fit with each unique event and create the right impact on attendees while offering competitive prices. In fact,

the CWT survey confirms that the more important an event is, the more companies organize RFPs—45 percent of planners and requestors do so systematically for special events, while 33 percent organize RFPs for simple events and 32 percent for small meetings (Figure 64).

**Figure 64: 45 percent of planners and requestors systematically organize RFPs for special events**



Source: CWT Travel Management Institute  
Based on a survey of M&E planners and requestors (180 respondents)

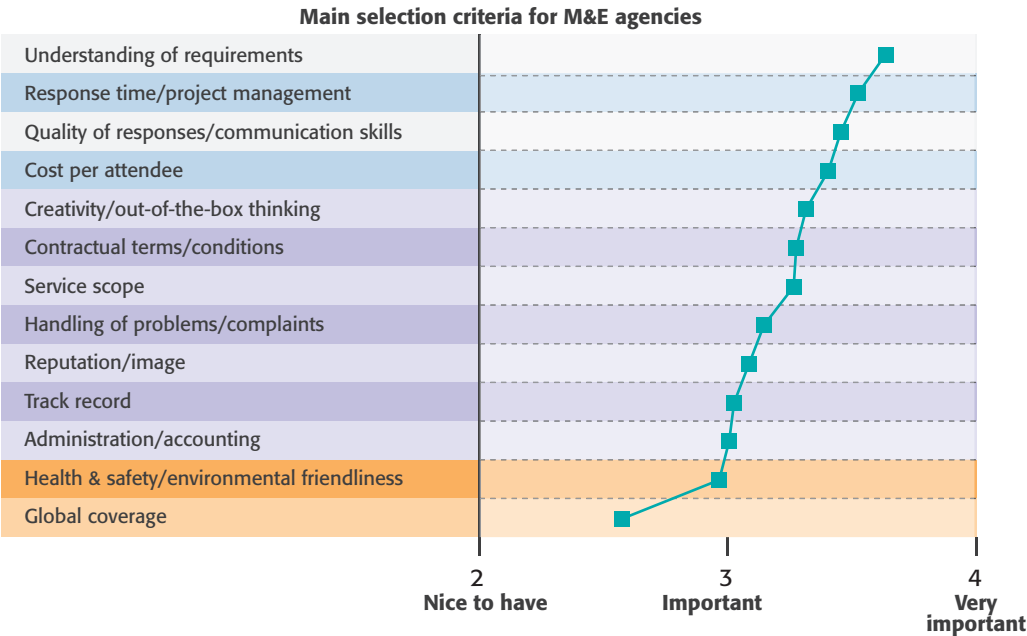
■ **If possible, larger organizations should also identify a few logistics providers per region for smaller meetings.** These can be managed more efficiently externally for several reasons. First, doing so helps consolidate spend volumes and facilitate tracking. Second, the required service is often more commoditized repeat business representing low costs but high volumes. Third, outsourcing can be a more cost-efficient solution than using internal

resources such as personal assistants, who spend considerable time organizing meetings. Finally, it is more practical to work with preferred suppliers than to systematically organize an RFP before every small meeting. No process should be too rigid, however, as some meetings may have requirements that cannot be met by existing suppliers.

■ **Balance cost considerations with a wide range of other criteria when selecting M&E agencies and hotels or venues.** According to the CWT survey, the top-ranked selection criteria for M&E agencies relate to understanding requirements, agency response time to requests/project management and quality of responses/communication skills. (See Figure 65.) These competencies are more important than price when choosing an agency, with cost per attendee ranking only fourth. Creativity and out-of-the-box thinking also rank high, underlining the contribution agencies are expected to make in bringing fresh ideas and sharing best practices.

The next most important criterion, contractual terms and conditions, tends to be more important to companies that organize the most meetings and events. Such organizations can have very detailed contracts and service level agreements covering, for example, the maximum response time to a brief or attendee enquiries, the number of staff present onsite at events and a deadline for collecting participants' feedback.

Figure 65: Price is key but not the top selection criterion for M&E agencies



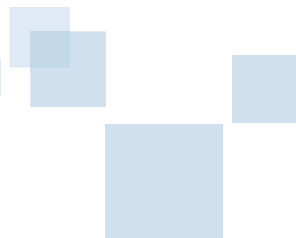
Source: CWT Travel Management Institute  
Based on a survey of M&E planners and requestors (160 respondents)



## ↓ VIEWS

*"Price is not really a big issue for us. Certainly we will specify a budget in the tender but if we see a really interesting offer we might try to renegotiate the budget and even see if we can go a little higher."*—Events manager, investment bank

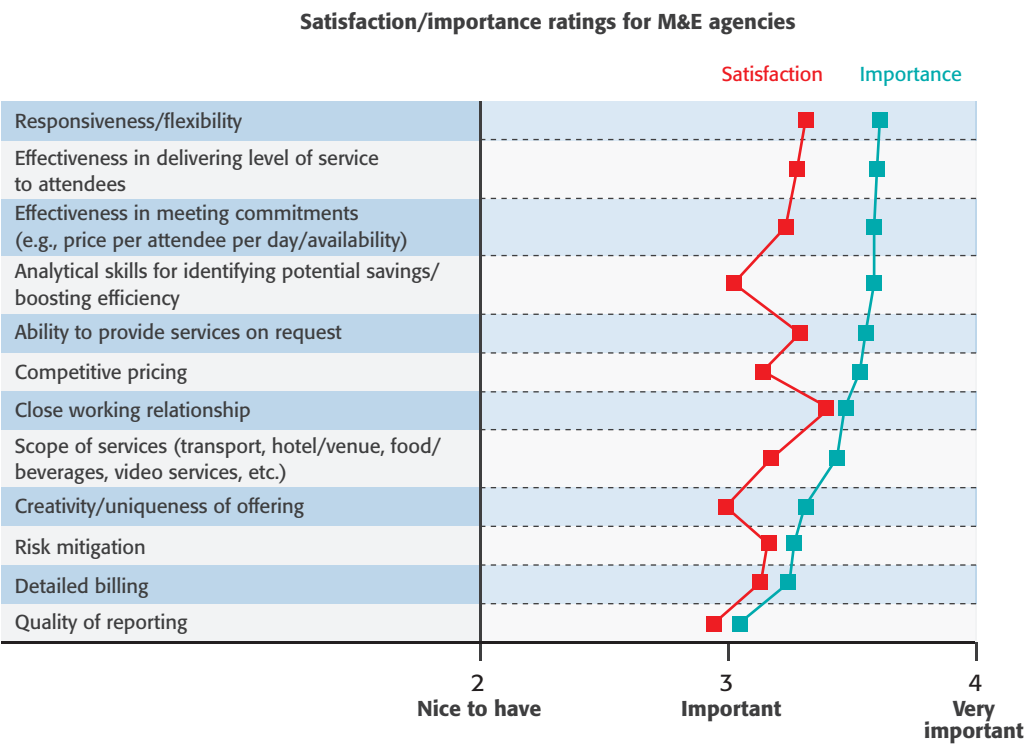
*"The first role of an event organizer is to understand the client's needs. This is what really brings value. It's not always easy to grasp what a client needs."*—Coordinator, association of M&E agencies



Survey results reveal some interesting gaps between how important clients consider service features provided by M&E agencies and how satisfied they are with them. The widest gap regards analytical skills for identifying ways to make savings or increase efficiency, which are not the main strengths of some events agencies compared to travel management companies

or other providers that are more focused on processes and costs. Planners and requestors also noted their disappointment regarding agencies’ ability to provide competitive pricing and creative/unique offerings. On the other hand, companies appear to be happy with their close working relationships with agencies. (See Figure 66.)

Figure 66: Planners and requestors note a gap between satisfaction and the importance accorded to services provided by M&E agencies



Source: CWT Travel Management Institute  
Based on a survey of M&E planners and requestors (158 respondents)

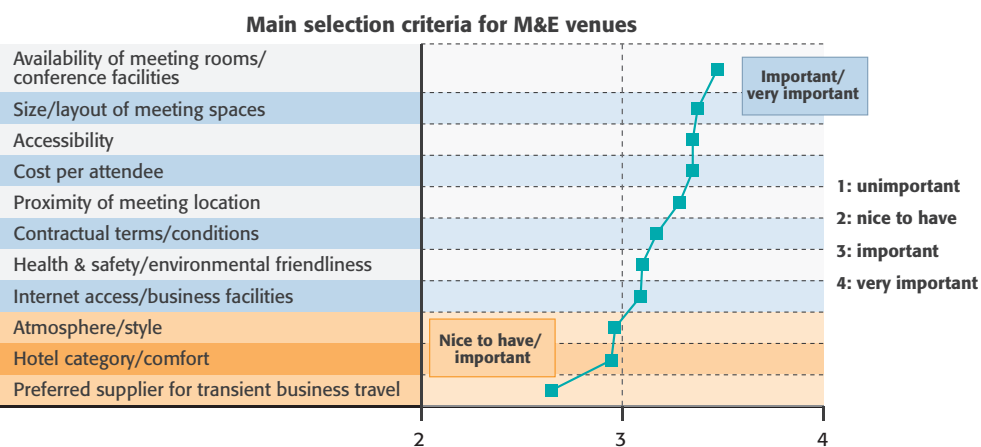
For accommodations and venues, the key selection criteria are availability of meeting rooms/conference facilities, size/layout of meeting space, and accessibility. The fact that cost per attendee ranks only fourth underlines the importance of weighing costs with other practical criteria to ensure the success of an event. (See Figure 67.)

The next most important criteria are focused on attendee comfort and sourcing conditions: proximity of the location; contractual terms and

conditions; health, safety and the environment; and Internet access/other business amenities. Contractual terms and conditions are considered slightly more important by the more mature pharmaceutical, consulting and IT industries that organize the most meetings and events.

Surveyed planners and requestors do not place much importance on the hotel being a preferred supplier for transient travel, although they do leverage synergies, as discussed on Pages 27 and 57.

Figure 67: Cost is not the top criterion for selecting M&E accommodations and venues



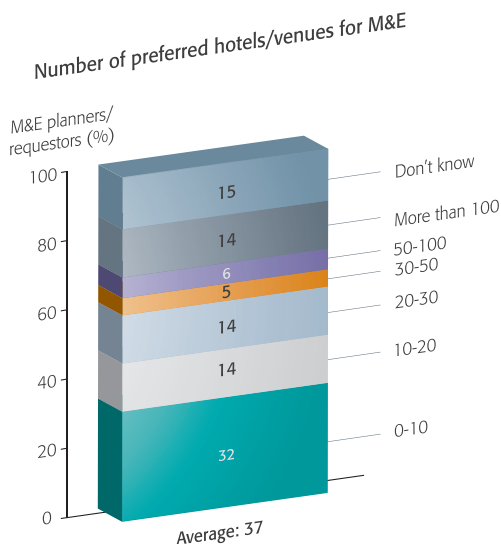
Source: CWT Travel Management Institute  
Based on a survey of M&E planners and requestors (170 respondents)

**Focus hotel negotiations on a limited selection of preferred properties.** Surveyed companies say they have on average 37 preferred hotels or venues (Figure 68), many of which will be hotels from the transient travel program that are close to their sites. For example, a company with 600 preferred hotels worldwide might have 40-100 that are frequently used by visiting colleagues. Such hotels would typically be preferred suppliers for recurring team meetings or other internal employee events. (Major events often

require a unique approach, meaning that venues are approached on an ad-hoc basis.) Companies should aim to formalize agreements with these suppliers to cover meetings and events, as opposed to relying on different, often informal agreements for each project. If preferred hotels from the transient program are unable to provide the appropriate meeting facilities, companies can sometimes negotiate preferential rates at other venues within the same brand or group.

■ **Consider preferred airlines from the transient travel program.** The main benefit is being able to present higher volumes in annual negotiations, resulting in better fares when flights are booked through the travel management company. This concerns specific fare types like individual fares rather than group fares, which are available in certain regions and negotiated separately.

**Figure 68: Companies have on average 37 preferred hotels and venues**



Source: CWT Travel Management Institute  
Based on a survey of M&E planners and requestors (126 respondents)

**How using preferred airlines for M&E can bring savings: example**

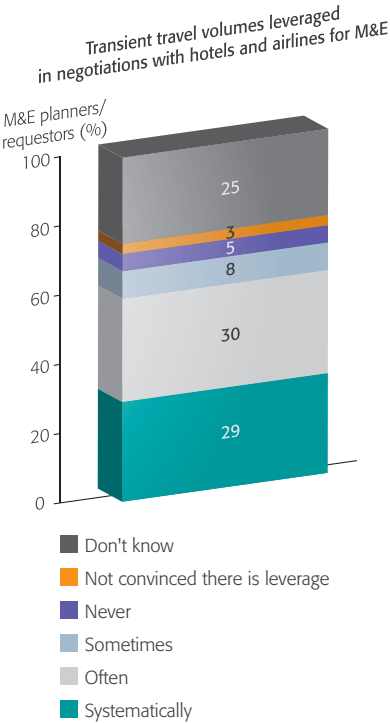
A company organizes an event for internal and external participants (50 percent of each). All flights for employees are booked through the travel management company to leverage annually negotiated rates with preferred airlines. Half of the external guests' flights are covered by group rates, while the other half are booked individually using the company's negotiated individual rates. Seventy-five percent of flights therefore use negotiated individual rates and 25 percent group rates.

When flights for all meetings and events are considered, it is clear there is considerable

potential to increase volumes in negotiations for individual rates. On average, for every US\$100 spent on transient travel, another US\$50 is spent on M&E. Knowing that transportation accounts for 33 percent of M&E spend, this means US\$17 will be spent on transportation for meetings and events, out of which 75 percent (US\$13) will be individual rates. Since roughly 60 percent of every US\$100 spent on transient travel concerns flights, M&E air spend represents more than 20 percent on top of transient travel spend that can be used to increase bargaining power.

Leveraging transient travel volumes in supplier negotiations can bring incremental gains to both the transient travel and M&E programs, but only 29 percent of M&E planners and requestors say they do so systematically when negotiating with airlines and hotels (Figure 69).

**Figure 69: 59 percent of M&E planners and requestors leverage transient travel volumes when negotiating with airlines and hotels**

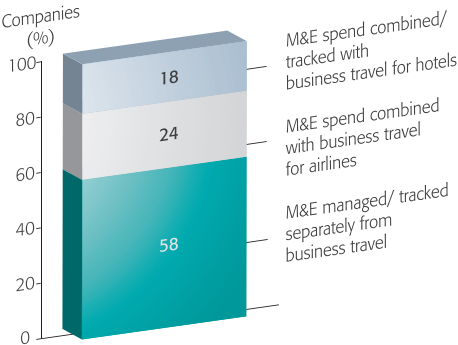


Source: CWT Travel Management Institute  
Based on a survey of M&E planners and requestors (174 respondents)

Similarly, other synergies between M&E and business travel are just starting to be leveraged, in terms of processes, communications and procurement skills. Only 18 percent of companies manage and track M&E jointly with business travel for hotel spend and 24

percent do so only for airlines. The remainder (58 percent) manage and track business travel separately. (See Figure 70.)

**Figure 70: 58 percent of companies manage and track business travel separately**



Source: CWT Travel Management Institute  
Based on CWT Diagnostic data (1,012 companies)

Although travel processes cannot be replicated exactly in M&E, experience in travel program consolidation is a valuable asset for companies wishing to consolidate M&E management. Transient travel management is typically a higher priority and more advanced than M&E as it represents roughly twice the budget. Spend data, which plays a key role in effective management, tends to be easier to capture on transient travel spend as the vast majority of bookings are made through travel management companies that provide detailed, consolidated spend reports. In addition, companies tend to have more leverage for negotiations with preferred suppliers as a higher proportion of transient travel spend is recurring—for example, for trips between a company's sites or to visit key clients. In contrast, many events are unique and require different suppliers each time.

- **Involve a wide range of stakeholders when selecting preferred suppliers.** Companies should bring together experts with complementary skills from different departments, including, for example, marketing, communications, sales, M&E planners, procurement, finance and travel management. This approach is more effective than procurement or travel management experts working in isolation, not only for obtaining the relevant input to choose the right suppliers but also for creating momentum and buy-in across the organization.
- **Obtain top management endorsement for preferred supplier lists, as well as support from M&E program owners and procurement experts.** This is crucial to buy-in, particularly during the first months of a program. In addition, the organization's policy on using preferred suppliers should be widely communicated and regularly updated to promote compliance. Process-wise, it can be helpful to automatically approve budgets below a certain threshold for preferred suppliers and require organizers to seek approval only when using other vendors.

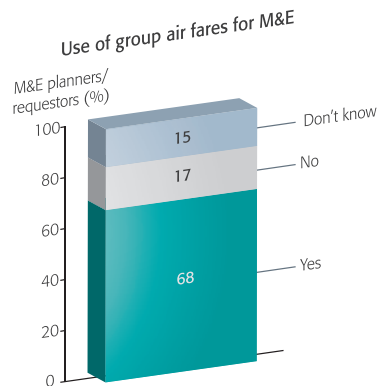
## Negotiating with suppliers

Companies can consider a number of practices for negotiating with suppliers:

- **Negotiate group airfares with preferred airlines** whenever possible—typically for groups of at least 10 people. According to the CWT survey, 68 percent of surveyed planners and requestors say their companies already negotiate group airfares, while 17 percent do not and 15 percent do not know—bearing in mind that group fares

are not offered by airlines in every region and can rarely cover all flights to an event when participants come from different cities and travel at different times. Groups are often easiest to transport using national carriers, which usually offer more frequent flights than other airlines. When much larger numbers of attendees are involved, companies can also consider hiring a broker to charter aircraft with a crew and take-off and landing spots. In doing so, they should consider their company's safety and security guidelines, which usually limit the number of employees traveling together on the same flights. For example, a large corporation may authorize no more than three executive committee members, 10 senior executives and 20 other employees on any flight. Sometimes these guidelines can be waived if formal approval is requested.

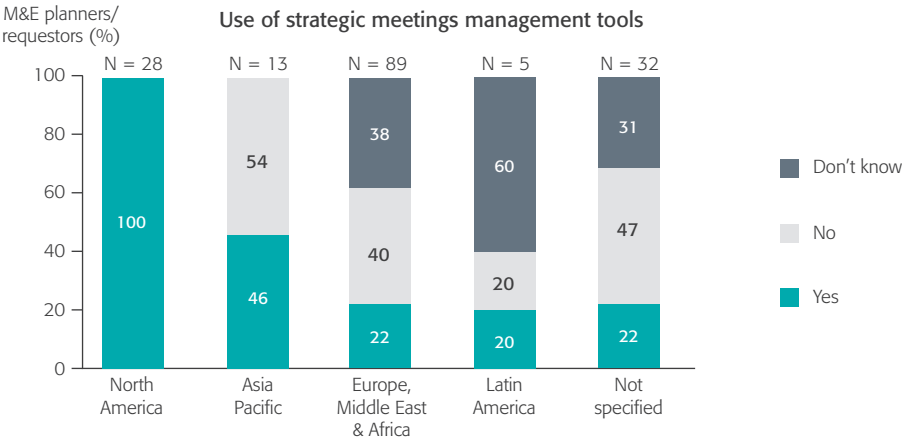
**Figure 71: 68 percent of companies negotiate group airfares for M&E**



Source: CWT Travel Management Institute  
Based on a survey of M&E planners and requestors (176 respondents)

- **Consider complimentary services, waived penalties and other preferential conditions in addition to price when negotiating with hotels.** As described on Pages 78-79, cancellation/attrition fees can amount to 20 percent of M&E costs. Such fees can be negotiated in advance and may involve reducing the percentage penalty to be paid or extending the deadlines for cancellations. Companies can also negotiate complimentary services such as early check-in and late check-out, welcome drinks and access to WiFi and leisure facilities.
- **Delegate negotiations with hotels, airlines and other end suppliers to M&E agencies when appropriate.** Specialists such as travel management companies, logistics providers or large-scale events agencies can bring negotiating expertise and also enable clients to benefit from their own volume discounts and other preferential terms and conditions.
- **Develop standard contract terms and conditions.** Standard terms and service level agreements help to streamline processes and provide consistent quality while reducing risks such as cancellation fees.
- **Leverage M&E technology to manage requests for proposals.** Companies with the most advanced M&E management tend to use strategic meetings management tools (See Figure 72). In the CWT survey, up to 100 percent of respondents use them, depending on the region—20 percent in Latin America, 22 percent in Europe, Middle East and Africa, 46 percent in Asia Pacific and 100 percent in North America, where the technology was initially developed. (The North American score is somewhat biased because all respondents are clients of StarCite, an M&E technology provider. Nonetheless, adoption of M&E technology is considerably higher than in other regions, reaching an estimated 75-80 percent.)

**Figure 72: The use of strategic meetings management tools varies widely between regions**

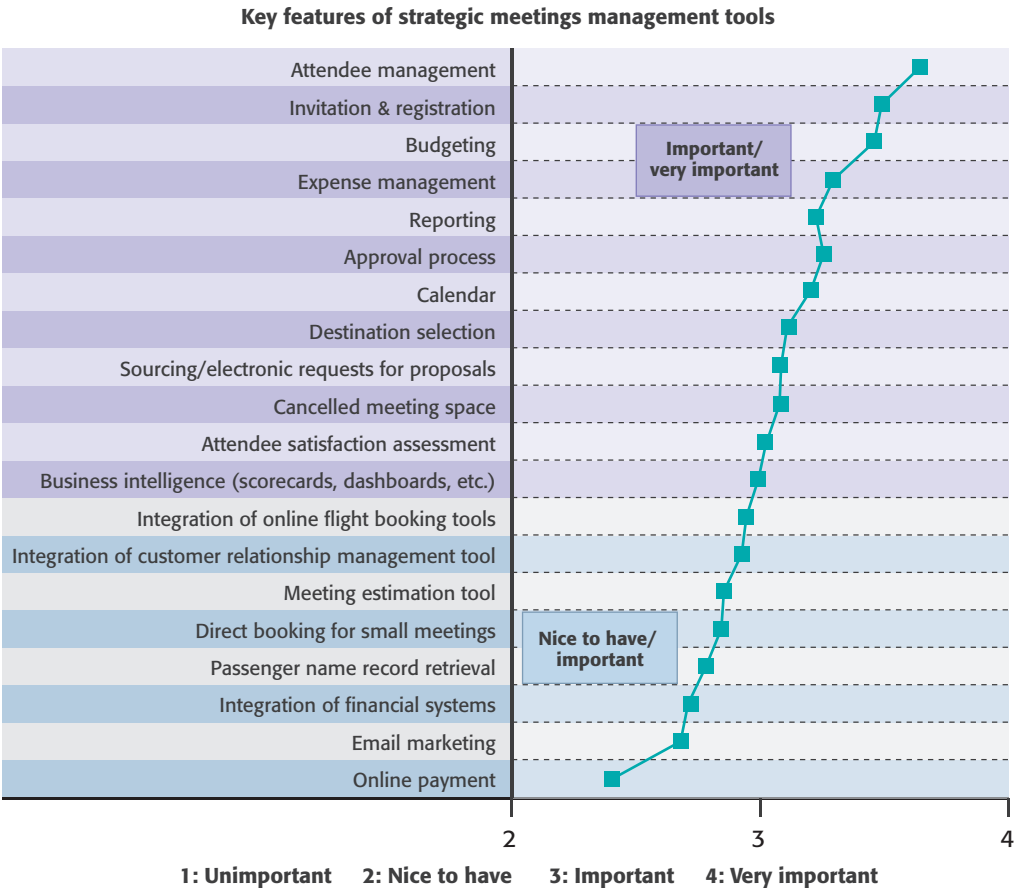


Source: CWT Travel Management Institute  
Based on a survey of M&E planners and requestors (167 respondents)

Such tools provide a wide variety of features, ranging from registration management and budgeting to the reallocation of cancelled meeting space. (See Figure 73.) In particular, the use of technology to manage RFPs is common among mature M&E organizations, especially in North America, as it enables larger volumes of data to be handled and generally streamlines a process that can be time consuming and

resource intensive. Companies can also use strategic meetings management tools to build a database of suppliers, centralizing key information such as past contracts, price, service level agreements and satisfaction scores. Without such tools, supplier databases can quickly become difficult to manage.

Figure 73: Numerous features of meetings management tools are considered important by M&E planners and requestors



Source: CWT Travel Management Institute  
Based on a survey of M&E planners and requestors (146 respondents)



## SUMMARY

Best practices for selecting and negotiating with suppliers include:

- Building relationships with a limited number of M&E agencies within multi-year framework agreements
- Organizing requests for proposals for major events to ensure providers are competitive
- Identifying a few logistics providers per region for smaller meetings
- Balancing cost considerations with a wide range of other criteria when selecting M&E agencies, hotels and venues
- Focusing hotel negotiations on a limited selection of preferred properties
- Considering preferred hotels and airlines from the transient travel program where appropriate—mainly for recurring events that take place close to the company's sites
- Involving a wide range of stakeholders in the choice of preferred suppliers
- Obtaining top management endorsement for preferred supplier lists, as well as support from M&E program owners and procurement experts
- Negotiating group airfares for groups of 10 or more people
- Considering complimentary services, waived penalties and other preferential conditions in addition to price when negotiating with hotels
- Delegating negotiations with hotels, airlines and other suppliers to M&E agencies when appropriate
- Developing standard contract terms and conditions to streamline processes and promote consistent quality
- Leveraging M&E technology for greater efficiency



## 5. Establish a formal planning process

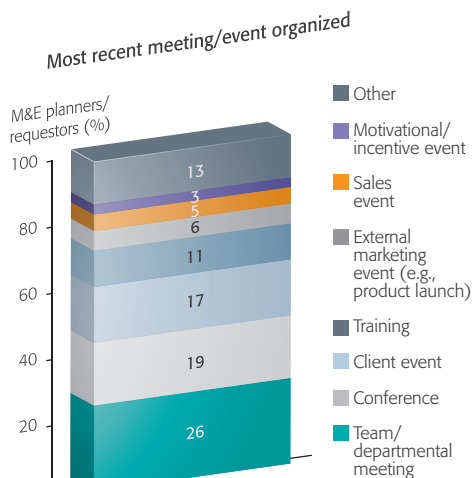
A formal planning process is key to building a consistent meetings and events program, maximizing compliance and ensuring that M&E meet business objectives as well as satisfy attendees. CWT recommends five key steps: define objectives, establish a formal approval process, plan sufficiently in advance, choose a convenient destination and outsource coordination where necessary to leverage skills.

These steps are outlined below:

- **Define M&E objectives.** The first step in planning is to ensure each meeting or event addresses precise business objectives, such as team building, raising brand awareness, generating news sales leads or creating a product experience. Companies should identify a range of objectives that can be

met by the different types of meetings or events shown in Figures 74-75.

Figure 74: Typical types of M&E



Source: CWT Travel Management Institute  
Based on a survey of M&E planners and requestors (215 respondents)

Figure 75: Examples of objectives for different types of M&E

Context	M&E Category	Context
Internal	Team/department meeting	Share information, plan projects, work together
	Team building	Build team spirit, create relationships, motivate
	Training	Educate, motivate, network
	Workshop	Solve problems, brainstorm, advance on a project
	Senior management meeting	Discuss progress, step back, make decisions
	Motivational/incentive event	Build relationships, motivate sales forces, celebrate achievements
External	Client meeting	Build relationships, discuss business, negotiate contracts
	Client seminar	Strengthen relations, share information, gather feedback
	Conference	Network, reinforce corporate image, present information
	Marketing event (e.g., product launch)	Present information, demonstrate product features, create brand advocates
	Media conference	Make announcements, present information, build corporate/brand reputation
	Recruitment fair	Recruit talent, raise brand awareness, network

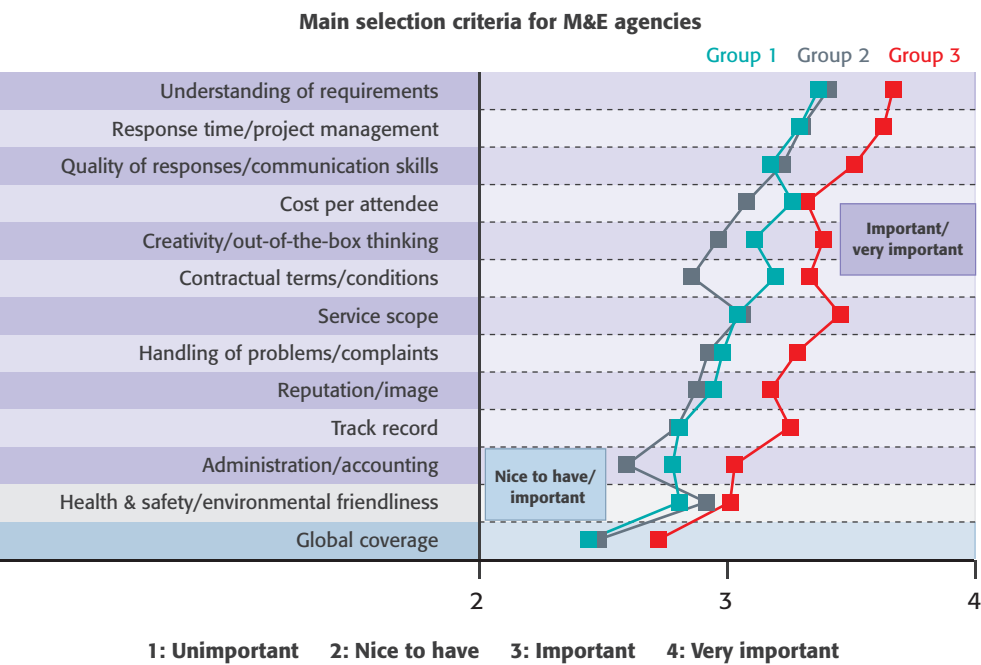
Source: CWT Travel Management Institute

Setting clear objectives is critical to selecting and working effectively with agencies, which need to understand the company's priorities and propose the right scope of services. This ability to understand requirements is the most important selection criterion for an M&E agency, as discussed on Page 86. All types of M&E planners and requestors consider this critical, although they may rank other criteria differently.

Compared with experts from other departments, M&E specialists attach more importance to

all the selection criteria for M&E suppliers, as shown in Figure 76. The relative importance of each criterion varies, however. Notably, M&E managers focus less on the cost per attendee and contractual terms and conditions than procurement, travel management and finance managers. This highlights the need for a cross-functional panel of experts to work together and weigh different needs when selecting suppliers.

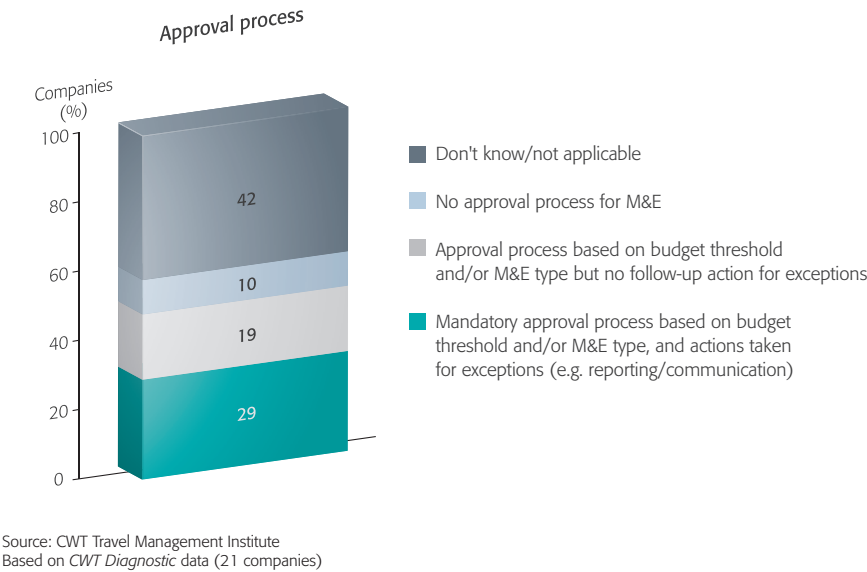
**Figure 76: The ranking of selection criteria for M&E agencies varies between stakeholders.**



■ **Establish a formal approval process.** More and more companies are establishing formal approval processes for meetings and events to ensure they serve business objectives. For medium to large events, a detailed budget should be requested, based on the number of attendees, the duration of the event and the destination, which impacts travel costs and hotel room rates. Smaller meetings can be considered within a general budget to facilitate processes. (See Page 48 for advice on how to estimate

spend.) According to data gathered from *CWT Diagnostic*, a tool designed to assess the maturity of business travel programs, only 29 percent of companies have a mandatory approval process in place for meetings and events. Another 19 percent have guidelines for authorized events but do not enforce them with any follow-up action, while another 53 percent say they have no approval process or do not know (Figure 77).

**Figure 77: Only 29 percent of companies have a mandatory approval process for M&E**



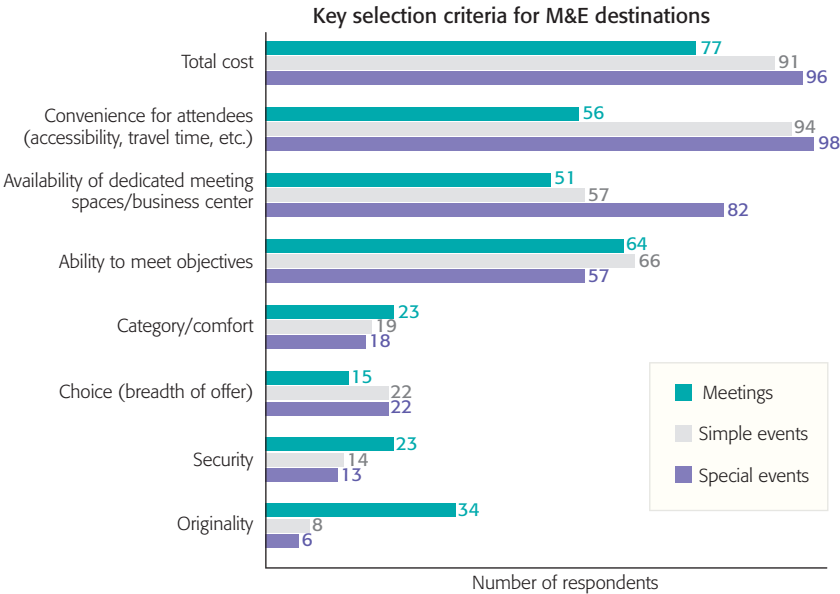
Once plans have been approved, M&E organizers can select and negotiate with suppliers (as described on Pages 80-95). For small meetings, the process can be handled by

a small number of regional logistics providers. For larger events, M&E agencies have the expertise to select and negotiate with end suppliers such as airlines and hotels.

■ **Plan sufficiently in advance.** Ideally companies recommend minimum lead times for meetings and events to optimize quality and costs—for example, through early-bird registration rates, advance-booked airfares and hotel room blocks. The guidelines must be flexible, however, to allow for last-minute meetings and smaller events if necessary. According to the CWT survey, companies allow on average two to three months for planning meetings, compared to three to four months for simple events and more than eight months for special or large events. (See Page 64). A best practice is at least 30 days for small internal meetings, 60-90 days for larger meetings, 6-12 months for simple events and more than 12 months for large or special events.

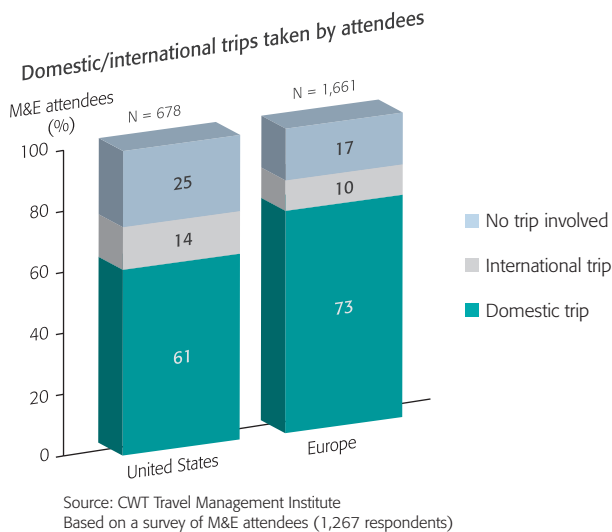
■ **Choose a convenient destination for attendees.** Selection criteria for destinations vary with the type of meeting or event. While total costs come top for special or large events, convenience for attendees (e.g., accessibility and travel time) is more important for meetings and simple events. Unsurprisingly, most surveyed attendees say their most recent meeting or event was held in their home country, bearing in mind that small meetings and simple events represent the bulk of all M&E. Companies should use destination analysis tools that indicate the most suitable and cost-effective destinations based on a variety of criteria. (See Figures 78-79.)

Figure 78: Selection criteria for destinations vary with the type of meeting or event



Source: CWT Travel Management Institute  
Based on a survey of M&E planners and requestors (98 respondents)

Figure 79: The bulk of meetings and events are held in attendees' home countries



Many small meetings and events such as training sessions are held onsite for convenience and cost reasons. According to M&E planners and requestors, 37 percent of meetings on average fall into this category. When small meetings or simple events are held offsite, companies can often use nearby hotels that are

preferred properties for transient travel. Doing so can offer synergies, particularly in terms of negotiating prices. (See Page 57.) For larger or special events, the choice of venue tends to be made more freely to meet specific objectives and requirements.

■ **Outsource coordination to leverage skills where necessary.** It is often best to outsource M&E tasks rather than manage them in-house. Complex M&E organization can often be handled more efficiently by agencies that have tried-and-tested processes and specific expertise. Agencies can also offer savings through their negotiations with suppliers such as hotels or other venues, airlines, destination management companies and catering firms. Typically, the organization of special or large events will be outsourced to preferred M&E

agencies, while preferred logistics providers may be called on for other meetings and simple events. When weighing the benefits, companies need to take into account the amount of supervision required, which will vary with the provider, as well as the type of event and the tasks involved. Companies do not always identify the savings brought by logistics providers and events agencies compared with the costs of internal resources, unless procurement specialists are involved.

## ↓ SUMMARY

Best practices for planning each meeting and event include:

- Defining business objectives for different types of M&E
- Establishing a formal approval process
- Planning sufficiently in advance to ensure effective coordination and optimized costs
- Choosing a destination that is convenient for attendees
- Outsourcing whenever possible to benefit from external expertise and tried-and-tested processes

## 6. Implement efficient attendee registration

Attendee management can be more efficient and convenient when manual processes are replaced by technology. Many companies use online registration tools that streamline processes for both M&E planners and attendees. In addition, organizations are increasingly using strategic management tools that provide a more complete solution, supporting M&E processes, sourcing and spend management.

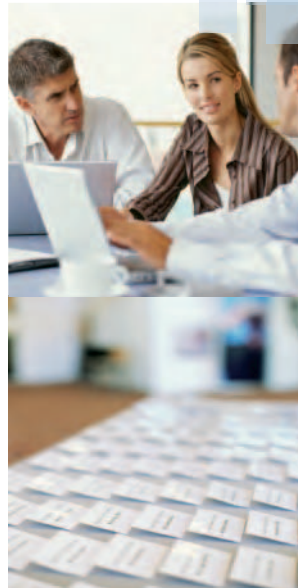
Managing meeting registration can be complex, time-consuming and resource-intensive, particularly for large or special events. It involves a wide range of tasks:

- Providing information on the meeting or event, including details on meeting sessions, speakers, the social program and logistics
- Sending invitations
- Creating registration forms
- Reserving rooms for participants
- Managing individual requirements for accommodations, meals and transportation (including transfers to and from airports)
- Sending confirmations and reminders

Yet many companies still rely on manual registration processes, using desktop tools

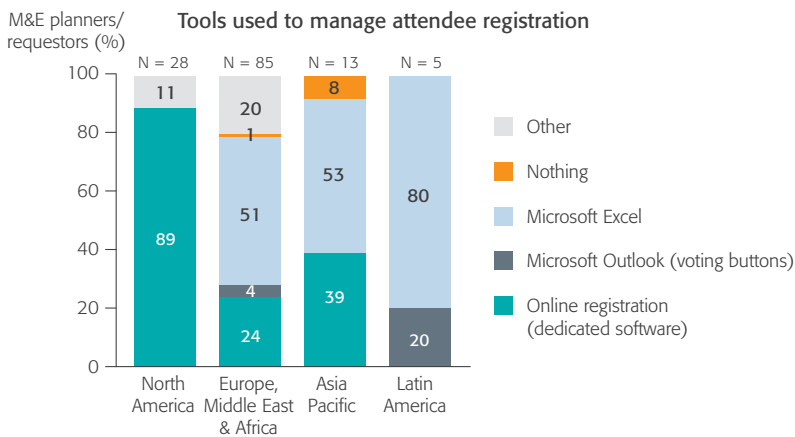
like Microsoft Excel or Outlook rather than dedicated online registration or strategic meetings management tools.

According to the CWT survey, only 24 percent of companies in Europe and 39 percent in Asia Pacific manage registrations online through dedicated software. The 89 percent score in North America is biased by the sample of companies, many of which are clients of StarCite, CWT's technology partner, but reflects higher adoption rates nonetheless. (See Figures 80-81.)





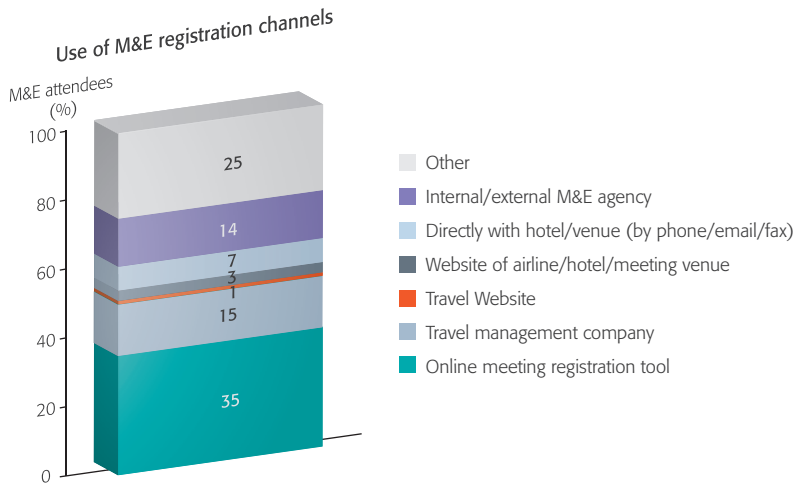
**Figure 80: In most regions the majority of companies still use basic desktop tools to manage M&E registration**



Source: CWT Travel Management Institute  
Based on a survey of M&E planners and requestors (131 respondents)

According to surveyed attendees, meetings management tools are used for only 35 percent of registrations. (See Figure 81.)

**Figure 81: Online meeting registration tools are used for 35 percent of registrations**



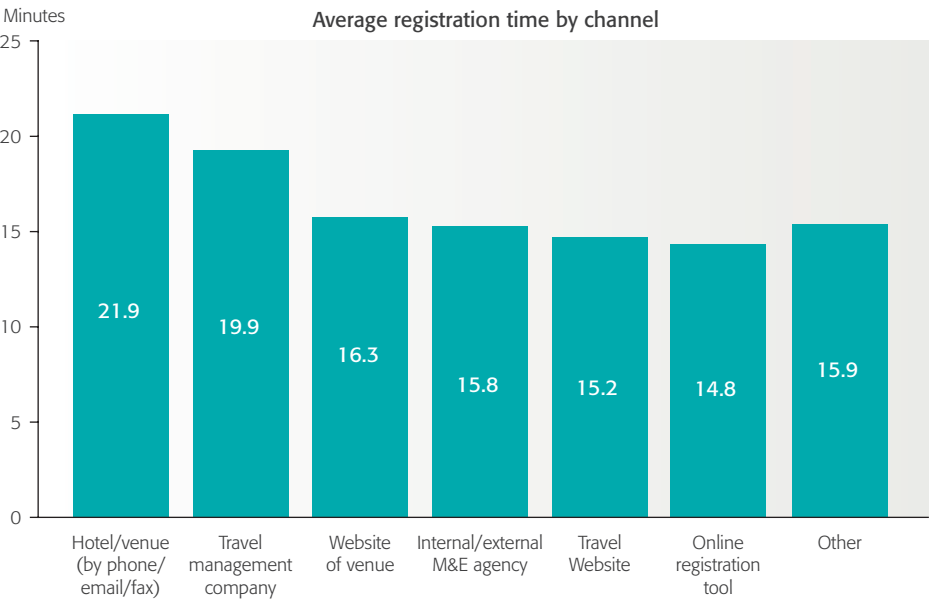
Source: CWT Travel Management Institute  
Based on a survey of M&E attendees (1,086 respondents)

Manual registration processes create three main inefficiencies:

■ **Manual registration is more time-consuming.** Surveyed attendees say they

take on average 17 minutes to register. The time taken can reach 22 minutes when registering directly with a venue, compared with under 15 minutes using an online registration tool. (See Figure 82.)

Figure 82: Manual processes take longer than online registration



Sources: CWT Travel Management Institute  
Based on CWT Diagnostic data (182 companies)

- **Coordination can be more complex** if attendees do not register and make bookings through a single centralized channel. For example, organizers wishing to provide taxis and shuttle buses to and from the airport may not have such easy access to aggregated information on the number of attendees taking different flights.
- **Manual processes can produce lower-quality data** than online processes used directly or managed by a single supplier. Having information spread out among different documents and formats can lead

to incomplete or lost information and delays in accessing information, compared to the real-time data offered by online meetings management tools. Having the correct data can be critical not only to facilitate M&E management but also to report to regulatory bodies when required—notably in the pharmaceutical and finance industries. Unsurprisingly, attendee management and invitation/registration rank top among the features of strategic meetings management tools, according to surveyed planners and requestors.

Dedicated tools drive efficiency in M&E organization while streamlining processes for attendees. According to CWT estimates, using attendee management software can save companies US\$85-100 per registration. Several main benefits are worth pointing out:

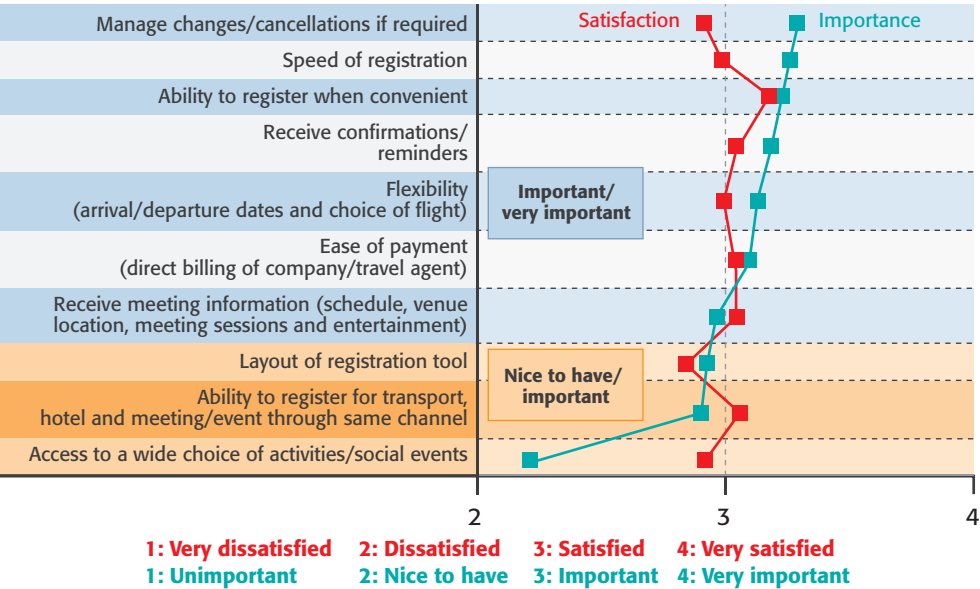
- Providing an interactive platform for attendees to register and exchange information
- Reducing paper work
- Minimizing the risk of human error

Companies should consider mandating the use of a registration tool—either their own or one provided by their M&E agency. Before doing so, it is important to take into account local market conditions. While online registration is common

in some countries and sectors, more traditional methods (e.g., invitations and confirmations by phone or letter) are preferred in others. In regulated sectors such as healthcare, the invitation process is stipulated in international and national codes of conduct.

When asked about the key features of a registration tool, attendees say they value convenience and speed above all, ranking highest the ability to manage changes and cancellations if required, followed by speed of registration and the ability to register at any time. Attendees also highly value ease of payment and the availability of information on the meeting—even more than the ability to register for an event and reserve transportation or hotel accommodations (Figure 83).

Figure 83: M&E attendees value convenience and speed above all when using an online registration tool



Source: CWT Travel Management Institute  
Based on a survey of M&E attendees (1,848 respondents)

Overall, online registration tools provide the key features attendees are looking for: user-friendliness (the ability to manage changes and cancellations, combined with speed, email confirmation, high-quality user interface, etc.) and integrated features such as ease of payment and the ability to reserve transportation and hotel accommodations. There is a gap, however, between the importance attendees attach to some of the features of registration tools and how satisfied they are with them, particularly concerning the two highest ranked features—the ability to manage changes and cancellations if required and speed of registration. This highlights room for improvement by the providers of such tools.

Companies can benefit from outsourcing attendee registration to M&E agencies that typically handle other M&E tasks and can provide a one-stop service. This can be particularly useful for reducing the time taken to notify suppliers of any changes or cancellations made by attendees, and therefore minimizing

attrition penalties. Agencies also provide local expertise that is critical to communicating with participants in the most effective way.

Another, more complete solution is strategic meetings management software, which provides a wide range of features to support M&E management in terms of processes, strategic sourcing and spend management. Adoption is high in North America, but just starting to take off in other regions.

Figure 84 shows how expectations vary between regions. While M&E planners and requestors all give high rankings to items like attendee management and budget, expectations are highest in North America regarding features such as sourcing, reporting and integration of online registration tools and highest in Europe regarding expense management.

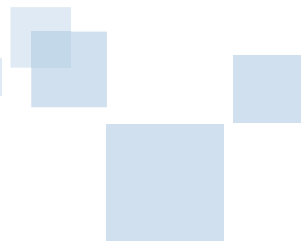
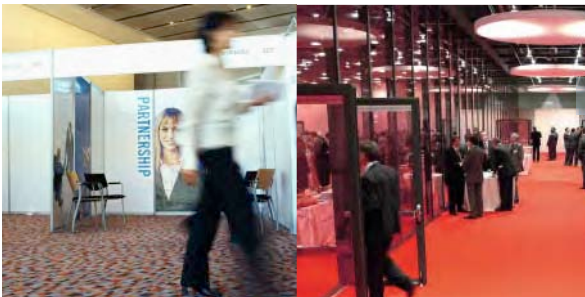


Figure 84: The importance of meetings management tool features varies between regions

Ranking of key features of strategic meetings management tools				
	Asia Pacific	Europe, Middle East & Africa	Latin America	North America
Attendee management	2	1	1	3
Invitation & registration	5	2	5	2
Budgeting	3	3	7	4
Expense management	9	4	3	11
Reporting	1	8	10	1
Approval process	16	6	8	6
Calendar	5	5	3	10
Destination selection	11	11	2	9
Sourcing/electronic requests for proposals	3	16	17	4
Cancelled meeting space	5	10	12	7
Attendee satisfaction assessment	11	7	10	15
Business intelligence (scorecards, dashboards, etc)	8	13	16	12
Integration of online flight booking tools	19	15	5	7
Integration of customer relationship management tool	11	9	8	19
Meeting estimation tool	11	14	12	14
Direct booking of small meetings	17	12	12	20
Passenger name record retrieval	10	17	17	13
Integration of finance systems	17	18	19	16
Email marketing	11	19	12	17
Online payment	20	20	19	18

Source: CWT Travel Management Institute  
Based on a survey of M&E planners and requestors (143 respondents)

Major differences between regions

To link registration with travel processes, industry players are working on integrating online tools with the global distribution systems used to book travel and accommodations. This is more complex in Europe, where different countries favor different GDSs. In addition, meetings management tools (and GDSs) have not

enabled bookings at many independent hotels, which represent a significant proportion of the European market, especially in France, Italy and Spain. As suppliers are addressing these issues, adoption of strategic management tools is starting to take off outside North America.

## SUMMARY

Best practices for managing attendee registration include:

- Using an online tool to streamline processes for both attendees and organizers. Attendees can manage registration and any changes at their convenience, while organizers have access to centralized, good quality data
- Outsourcing attendee registration to M&E agencies that typically handle other tasks and can provide a one-stop service

## 7. Handle payment and reimbursement

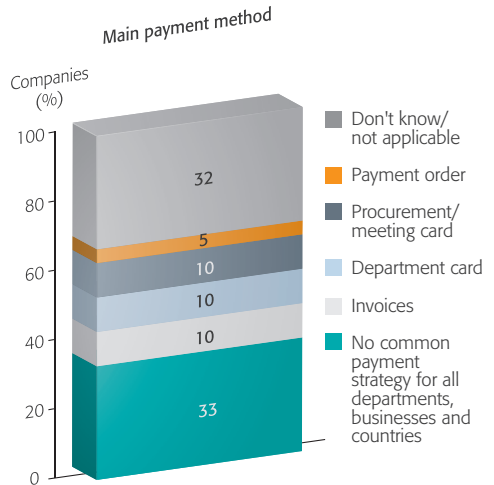
An optimized payment and reimbursement process enables organizations to effectively manage data and maximize compliance with the M&E program. As procurement experts become increasingly involved in M&E, more companies worldwide will adopt the relevant best practices. These include paying as many supplier costs as possible using a single mode of payment—preferably a corporate meeting card—and asking attendees to use their corporate credit cards for reimbursable expenses. Companies can also improve processes by using an automated expense management tool and working with specialist suppliers to reclaim VAT.

### Payment of M&E costs by organizers

Sixty-six percent of surveyed M&E planners and requestors say their companies have no payment strategy for M&E or they are unaware of one. Those that do have a preferred mode of payment are fairly evenly split between invoices,

department cards and meeting/procurement cards (10 percent each) and purchase orders (5 percent), as shown in Figure 85.

Figure 85: Only 10 percent of companies use dedicated cards to pay for meetings and events



Note: CWT Travel Management Institute  
Based on CWT Diagnostic data (21 companies)

## ↓ VIEWS

*"We need to find an efficient but simple system to centralize all our expenses linked to M&E—air travel, hotels, ground transportation, etc.—and be able to use that system to keep track of them."*—Events manager, global e-commerce player

*"We have an IT system that allows us to compile all invoices and allocate them to a particular event. We are keen on knowing exactly how much we spend on which type of events."*—Events director, energy and resource management company

Ideally, M&E organizers make payments centrally using a single mode of payment—a corporate credit card, meeting card or electronic payment—and a single cost code to facilitate data consolidation and reconciliation.

Using a dedicated payment method brings many benefits:

- Maximizing the relevant spend data for effective tracking
- Consolidating spend data for each main supplier to provide more leverage in negotiations
- Streamlining the spend allocation process by charging items to the right cost center
- Providing granular data, enabling specific spend categories to be tracked by supplier, region, type of event, and so on
- Avoiding overlapping data such as M&E transportation included in both M&E and transient travel spend
- Facilitating the reconciliation of budgeted and actual spend to identify gaps and take corrective action

In terms of which payment method to use, CWT recommends using dedicated meeting payment cards, either a single card per meeting or per M&E planner:

- **A single payment card per meeting.** This system ties payment to the approval process. Each card has a budget limit attached to it and may include a declining balance. Planners may request a budget extension by going back through the approval process.

- **One meeting card per M&E planner.**

Each planner is responsible for reconciling spend with the budget for each event. Many companies prefer this system as it means there are fewer cards to manage. This creates more work for the planner, however, who has to isolate the charges for each meeting in a reporting process.

Whichever system is chosen, companies should use the card to pay all suppliers in order to effectively track spend. Items paid in cash (e.g., hotel gratuities) can be included on the final invoice if requested. Often venues' invoices include lump sums, for example, "hotel" and "limousines" although some hotels will provide a breakdown into sleeping rooms, meeting rooms, food and board, and so on. Planners should ask suppliers to set up separate master accounts for major cost items (e.g., three accounts for hotel rooms, food and beverage, and audio and video equipment) and a catch-all account for other items.

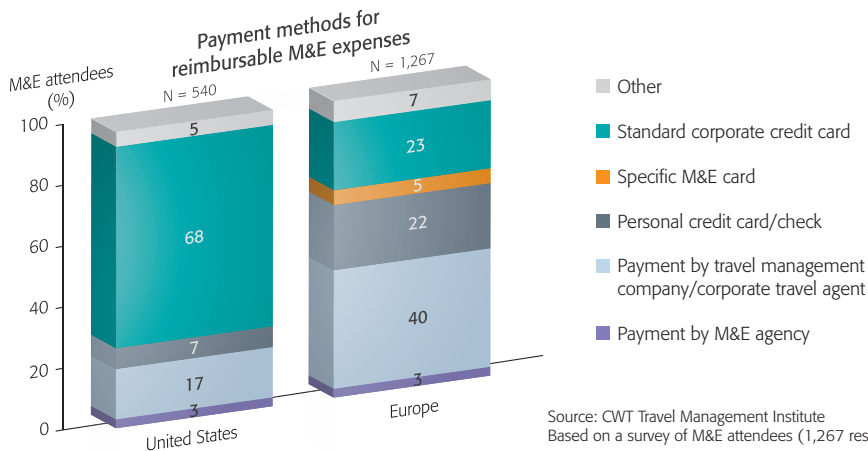
Other payment methods provide less transparency and control, depending on how they are used. For example, companies often use purchase orders to work with events agencies, which generally means costs are bundled into a single cost code. Transparency can be obtained, however, by providing an M&E agency with a centrally billed card to pay suppliers directly. The company sees all the underlying charges on its monthly card statement and the agency can support the reconciliation of the statement. The agency bills the company separately for its event management fee.

## Payment of expenses by attendees

To best control and track spend, M&E organizers should settle as many costs as possible rather than leave attendees to pay and reclaim expenses. When this is unavoidable—although a clear policy can help—attendees should use their corporate credit cards and if possible, an electronic expense reporting system to facilitate processing and reconciliation.

Currently a wide range of payment methods are used, including personal credit cards, direct payment by the travel agent or company and direct payment by a third-party M&E organizer. (See Figure 86).

Figure 86: A wide range of payment methods are used for attendee expenses



## Reconciling spend and reimbursing attendees

The use of corporate meeting cards can be particularly effective when integrated with strategic meetings management tools for detailed, consolidated data. Commercial card providers are expanding their solutions to help M&E planners with reporting and reconciliation. They offer, for example, online summaries of spend per meeting/planner and per supplier, year-over-year trend analysis, market benchmarking information, and automatic data feed into the company's financial systems.

For reimbursable expenses paid by personal corporate payment cards or other methods, attendees can use an automated expense management tool, which enables claims to be submitted electronically for approval and payment to be made directly into employees' bank accounts. The M&E policy should stipulate which expenses are reimbursable, as well as require separate payment for non-reimbursable expenses. Clear instructions should also be provided on the reporting categories that should be used, as these are critical for data quality.



## Reclaiming VAT: significant savings for companies that manage this complex process

VAT reclaim can bring significant savings but is a complex process due to the need for accurate, exhaustive transaction data, as well as changes in VAT legislation in different countries.

As the cost of processing claims internally can be high, companies often outsource cross-border VAT reclaims to specialist providers. Given the substantial sums involved, many companies also pay partners such as travel management companies to provide the necessary data in sufficient detail.

To determine VAT reclaim opportunities, companies should leverage payment and invoicing systems. Broadly speaking, five steps should be taken:

- Monitor VAT regulations in the countries where M&E spend is highest.
- Ensure the contracting strategy enables VAT reclaim, as claims will vary depending on whether they are made directly or through third-party suppliers.
- Invoice internally in the right country.
- Optimize budgeting, invoicing and document production.
- Work with third-party specialists to reclaim VAT abroad.

## SUMMARY

Best practices for handling payment and reimbursement include:

- Using a single mode of payment—ideally a single meeting card per meeting or planner—to facilitate data consolidation and reconciliation
- Settling as many attendee costs as possible directly rather than requiring attendees to pay and reclaim expenses
- Asking attendees to use their individual corporate credit cards for reimbursable expenses
- Using an automated expense management tool for processing expense claims
- Deploying solutions provided by meeting technology suppliers to integrate payment card and reconciliation features
- Working with specialists to reclaim VAT

## 8. Evaluate M&E performance and policy compliance

Organizations need to consistently follow up on meetings and events to check they meet objectives and ensure ongoing improvements. In addition to monitoring attendee satisfaction, companies should track the satisfaction of other stakeholders, supplier performance and the value brought by M&E in terms of both tangible and intangible benefits. Aggregate reporting and analysis of spend data across an entire organization provides benchmarking information that help identify new savings opportunities and process improvements. It is important also to track compliance with M&E policy and the preferred supplier program on a regular basis.

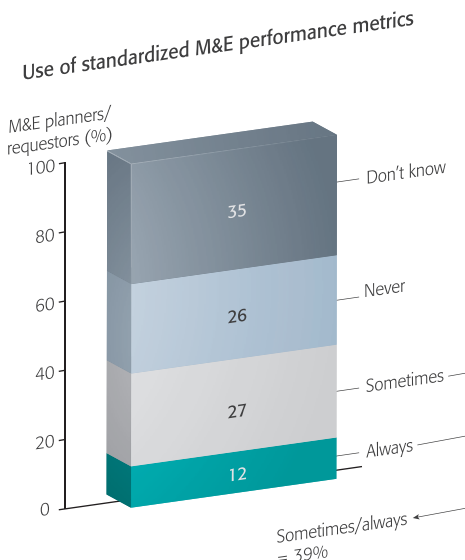
### Evaluating M&E performance

A formal post-event process should evaluate the effectiveness of the meeting or event at different levels—not only attendee satisfaction, but also the satisfaction of other M&E stakeholders, the service delivered by suppliers and how well business objectives were achieved. This process is important for helping companies strike the right balance between organizing M&E at the lowest cost and ensuring they are necessary and add value to the organization. The main points to consider are described below.

■ **Consider performance measurement early in the planning process** and not as an afterthought once an event is over. It is critical to define what success means before designing an event, to ensure it meets specific objectives. As a strategic M&E management program becomes more mature the ability to drive significant savings diminishes. Looking at the effectiveness of events will take the program to the next level.

■ **Take a systematic approach to best track progress.** According to the survey, only 12 percent of planners and requestors always use standardized performance metrics and 27 percent do so occasionally, compared with 61 percent who never do or do not know. This indicates considerable room for improvement. (See Figure 87.) A best practice is to develop standardized evaluation forms for each main type of meeting or event (e.g., training sessions, incentive meetings, departmental meetings, conferences and external marketing events) and to keep these as consistent as possible over time. Using the same key performance indicators lends credibility to the process and helps organizations to consistently evaluate performance, identifying necessary improvements for each type of event.

**Figure 87: Only 12 percent of M&E planners and requestors always use standardized performance metrics**



Source: CWT Travel Management Institute  
Based on a survey of M&E planners and requestors (161 respondents)

■ **Evaluate attendee satisfaction.** Many companies measure attendee satisfaction—35 percent do so always and another 48 percent sometimes, compared to 17 percent who do not (or do not know). Among the organizations that do evaluate

satisfaction, however, only 58 percent implement a process of systematic surveys and reporting as opposed to relying on informal feedback or other, more ad-hoc methods. (See Figures 88-89.)

Figure 88: 83 percent of organizations evaluate attendee satisfaction

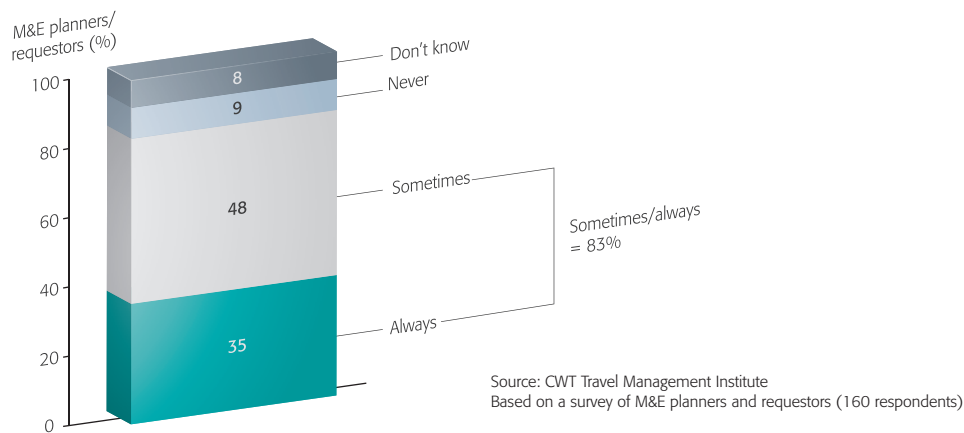
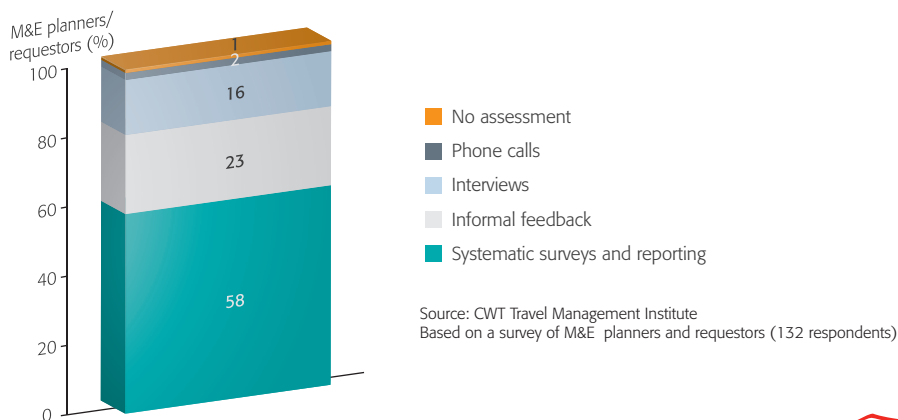


Figure 89: Only 58 percent of companies evaluate M&E performance on attendee satisfaction using systematic surveys and reporting



■ **Seek feedback from planners, requestors and other key stakeholders**, such as procurement, finance and accounting managers. Many companies measure only attendee satisfaction, but similar surveys can be used to gather qualitative feedback on stakeholders' satisfaction with the various aspects of the event and supplier

performance. Companies can also track quantitative key performance indicators, such as savings achieved through negotiations (on overall rates, cancellation/attrition fees, group airfares), savings from online registration and time savings on planning thanks to outsourcing M&E tasks to suppliers.

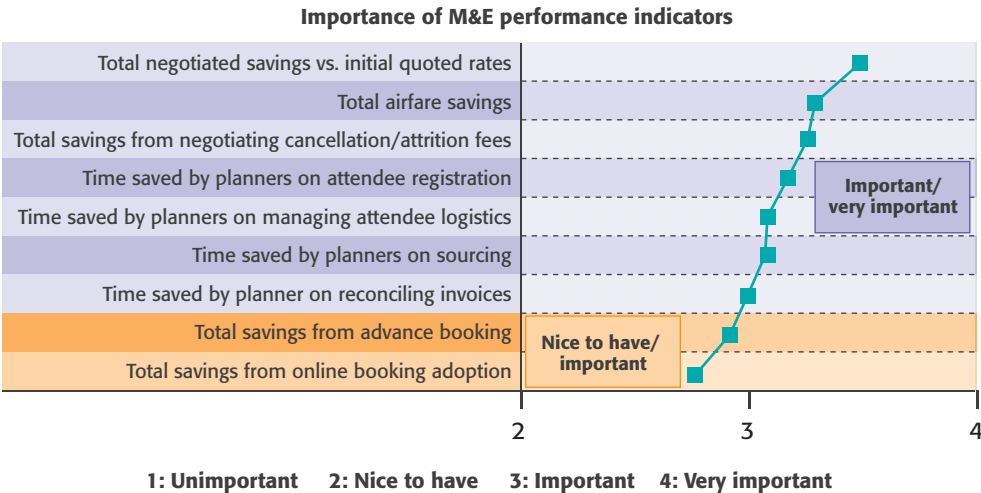
Figure 90: Examples of questions for evaluating stakeholder satisfaction

Item	Examples of items to rate (satisfaction/quality)
Attendee registration	<ul style="list-style-type: none"> <li>Management of attendee registration</li> <li>Registration Website</li> <li>Information provided before meeting</li> </ul>
Venue	<ul style="list-style-type: none"> <li>Choice of venues</li> <li>Venue location</li> <li>Accessibility of location</li> <li>Comfort/layout of meeting rooms</li> <li>Bedrooms and overall service (staff, amenities, breakfast, etc.)</li> </ul>
Transportation	<ul style="list-style-type: none"> <li>Airline</li> <li>Rail company</li> </ul>
Activities	<ul style="list-style-type: none"> <li>Choice of activities</li> <li>Organization of activities</li> </ul>
M&E agency/logistics provider	<ul style="list-style-type: none"> <li>Agency's understanding of requirements</li> <li>Quality of responses and communication skills</li> <li>Response time and project management</li> <li>Administration and accounting</li> <li>Question: would you recommend the M&amp;E agency/logistics provider?</li> </ul>

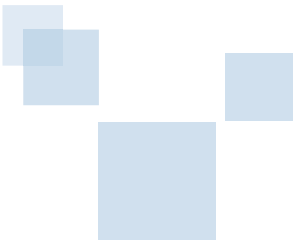
Source: CWT Travel Management Institute

According to the CWT survey, planners and requestors attach importance to a range of key performance indicators, even though they may not currently be in place (Figure 91).

Figure 91: M&E planners and requestors attach importance to a range of key performance indicators



Source: CWT Travel Management Institute  
Based on a survey of M&E planners and requestors (151 respondents)



■ **Review supplier performance and agree on a continuous improvement plan.** Companies should negotiate key performance indicators in service level agreements with preferred M&E suppliers. Examples of key performance indicators are shown in Figure 92.

Figure 92: Examples of key performance indicators for service level agreements

Key performance indicator	Service level agreement	Action
Acknowledgement of meeting brief	Within 2 days of brief	Send email acknowledging receipt
Response to attendee enquiries	Within 2 days of enquiry	Contact attendee and respond to enquiry
Sending of confirmation emails to attendees	Final confirmation 2 weeks before meeting (after receiving a list of names)	Ensure confirmation email is received by attendee
Cancellation	X days before meeting: no cancellation fees Y days before meeting: Z1% of bedroom charge and Z2% of meeting package	Work with client and end suppliers (hotels, venues, etc.) to ensure terms are accepted
Onsite staffing	X people staffed by supplier for y attendees	Ensure adequate staffing (adjusted as necessary)
Attendee feedback	Within 2 weeks of meeting; Supplier satisfaction score to exceed X%	Implement and analyze surveys and provide feedback
Negotiated savings	X% for first year Subsequent years to be determined	Report on final negotiated price vs. initial quoted price (with exceptions)

Source: CWT Travel Management Institute

Continuous improvement with suppliers can involve, for example, sharing best practices across business units, providing ongoing training and development to supplier teams, strengthening relationships between main suppliers and end suppliers, and improving deposit/payment terms. Companies can also analyze historic meetings and events data to facilitate the planning of future M&E.

■ **Evaluate return on investment (ROI) and/or return on objectives (ROO).** With increasing pressure to justify budgets, some companies are looking into ways to measure the return on meetings and events in terms of both tangible and intangible benefits. To

calculate **return on investment**, companies need to evaluate the tangible financial benefits of an event compared to incurred costs. For example, they can estimate the win ratio for contracts before and after sales teams applied new skills learned in training or business won from leads generated during a marketing event. Although this is not an exact science, such calculations can provide a useful indication of the effectiveness of different types of events. The methodology (including data collection methods, timing and communications) and assumptions used in calculations should be agreed in advance with key stakeholders.

## VIEWS

*"Unlike the pharmaceutical sector, events are not mandatory for us. What we do is look at projects case by case and say, 'If you want to spend 100 does your business and the ROI you are hoping to get justify it? If so, go ahead. If not, maybe we can go down to 60.' "*  
—Communications director, retail bank

*"External events are key for us. They are the most effective way to reach people and convey a message. External events have boomed over the past year as we are now a publicly listed company and need to communicate to investors. This helps support our share price. We need to react to any information or news regarding the company and be ready to organize events quickly."*—Events director, energy and resource management company

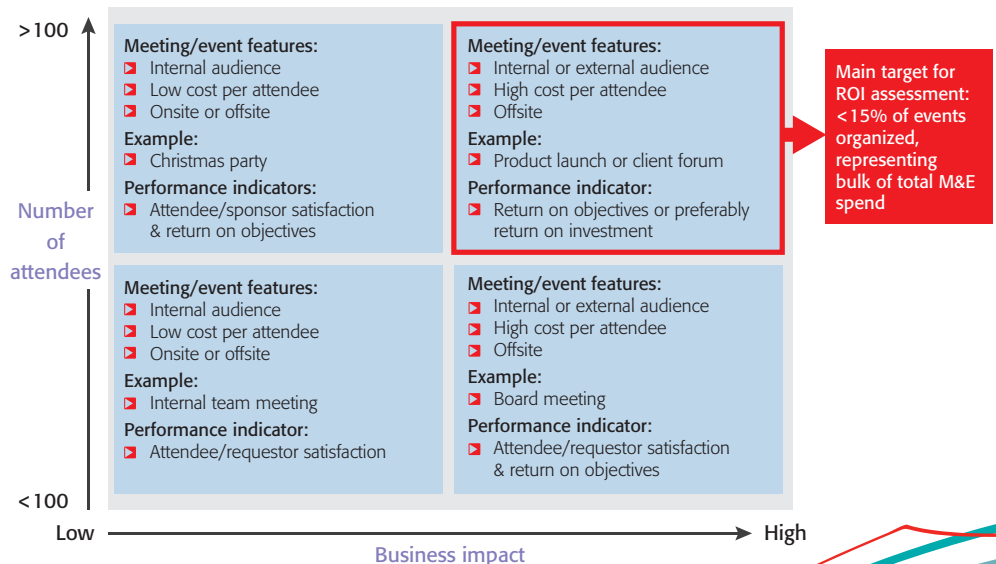
*"ROI is an interesting concept but is hard to implement as you can rarely quantify the return in cash."*—Events director, energy and resource management company

Organizations can also track **return on objectives** in terms of more intangible benefits, such as increased brand awareness, job satisfaction or networking opportunities.

As return on investment and return on objectives are complicated to calculate,

companies should focus first on large events that have a high potential impact on business, such as product launches, client forums and incentive programs. (See Figure 93.) Some consistent measurement should, however, be in place for all events.

**Figure 93: Companies should focus ROI/ROO assessment on large, high-impact events**



Source: CWT Travel Management Institute

One methodology introduced by Jack Philips, an ROI specialist, measures performance on five levels:

- **Reaction, satisfaction and planned actions:** how satisfied attendees are with the meeting, venue and speakers and how they intend to use what they have learned
- **Learning:** which skills and knowledge attendees have gained, how attitudes have changed and how personal relationships have developed.

■ **Application:** how participants have used what they have learned

■ **Impact:** what contribution the meetings or event has made to achieving business results

■ **Return on investment:** how the impact translates into financial benefits

### Case study: evaluating return on investment

A company evaluates the performance of a major training session for 50 consultants. The training on value-based selling includes sales techniques, relationship building, negotiation, proposal writing and presentation skills.

To calculate the total cost of each training session, both direct and indirect costs are taken into account:

- **Direct costs** include designing training content, producing materials, trainer's fees, and participants' accommodations, transportation and food/beverage.
- **Indirect costs** represent the cost of employees attending the training, based on the daily rate consultants would invoice if they were working on projects for clients.

To calculate the financial returns, the company estimates the value of new contracts won by teams up to one year after receiving training

and the share that can be attributed to skills learned.

➔ The cost of training is estimated at US\$1,022,500 and contributes to success in winning four new contracts. (See Figure 94 for a breakdown of costs and the estimated percentage contribution to each client win.) After isolating other factors that have impacted new sales (e.g., inflation), return on investment is estimated at 30 percent.

This result is highly sensitive to the estimated percentage contributions. For example, if the percentages are revised as follows (20 percent for contract 1, 40 percent for contracts 2 and 3, 25 percent for contract 4), return on investment is negative (-3 percent).

Clearly the benefits are difficult to calculate exactly, but the results are a useful indication of how well this type of meeting is performing. When a large number of assumptions are difficult to define, however, it may be simply better to evaluate return on objectives.



Figure 94: Sample calculation of costs and benefits relating to an event

Item	
<b>Costs</b>	
<b>General information</b>	
Number of attendees.....	50
Meeting length (number of nights/days).....	3
<b>Direct costs</b>	
Design, development and training	
Development fees.....	US\$100,000
Preparation of presenters and staff.....	US\$20,000
<b>Total design, development and training.....</b>	<b>US\$120,000</b>
Presentation costs	
Presenter fees and delivery costs per attendee per day.....	US\$2,000
Meeting materials per attendee per day.....	US\$200
Presentation cost per attendee per day.....	US\$2,200
<b>Total presentation costs (for the three days, all attendees).....</b>	<b>US\$330,000</b>
Meeting costs	
Transportation costs per attendee.....	US\$1,200
Accommodation costs per attendee (for the three nights).....	US\$1,500
Food and beverage per attendee (for the whole meeting length).....	US\$500
Other costs per attendee (for the whole meeting length).....	US\$750
<b>Total meeting costs (for the three days, all attendees).....</b>	<b>US\$197,500</b>
<b>Indirect costs</b>	
Resources + attendee costs (daily rate x time spent at meeting).....	US\$7,500
<b>Total indirect costs.....</b>	<b>US\$375,000</b>
<b>Total direct and indirect costs</b>	<b>1,022,500</b>
<b>Benefits</b>	
Contract 1 (won after training).....	US\$500,000
Share attributed to training.....	30%
Benefits attributed to training.....	US\$150,000
Contract 2 (won after training).....	US\$1,000,000
Share attributed to training.....	60%
Benefits attributed to training.....	US\$600,000
Contract 3 (won after training).....	US\$800,000
Share attributed to training.....	50%
Benefits attributed to training.....	US\$400,000
Contract 4 (won after training).....	US\$700,000
Share attributed to training.....	25%
Benefits attributed to training.....	US\$175,000
<b>Total benefits (contracts attributed to training)</b>	<b>US\$1,325,000</b>
<b>Return on investment</b>	<b>30%</b>

■ **Conduct aggregate program analysis.**

Aggregate data reporting and analysis provides benchmarking information that is key to continual program improvement. Companies can use centrally captured data to tighten the program, identify new opportunities for savings and recommend ways to improve the return on investment in M&E. Each organization’s unique strategic objectives imply specific needs in terms of reporting and metrics, but in general they address four categories: spend and savings; supplier performance and sourcing; resource utilization and efficiency; and program compliance and behavior. Analyzing these four areas, along with return on investment and attendee/stakeholder satisfaction, provides the necessary insight into the performance of an M&E program while identifying additional savings opportunities or ways to improve processes.

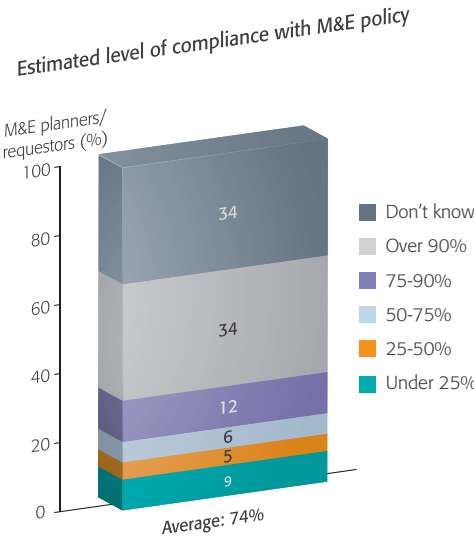
**Measuring compliance**

Most companies acknowledge the need to monitor compliance on a regular basis. As mentioned earlier (Page 61), 46 percent of surveyed planners and requestors consider policy and compliance to be key levers for improving M&E management, while 21 percent consider them important for defining a preferred supplier program and 19 percent for improving leverage in negotiations. Tracked data should be sufficiently granular to track compliance with both overall M&E policy and the program of preferred suppliers.

■ **Compliance with M&E policy** includes respecting such items as advance planning, approval processes and the use of preferred suppliers and payment methods. Thirty-four percent of surveyed planners and requestors are unable to estimate compliance in their

organizations. Those who can estimate often provide high rates—on average 74 percent—that appear unrealistic in CWT’s experience (Figure 95). When limiting the analysis to internal M&E leaders, close to 30 percent say policy compliance is under 75 percent, more than 50 percent say it exceeds 75 percent and about 20 percent do not know.

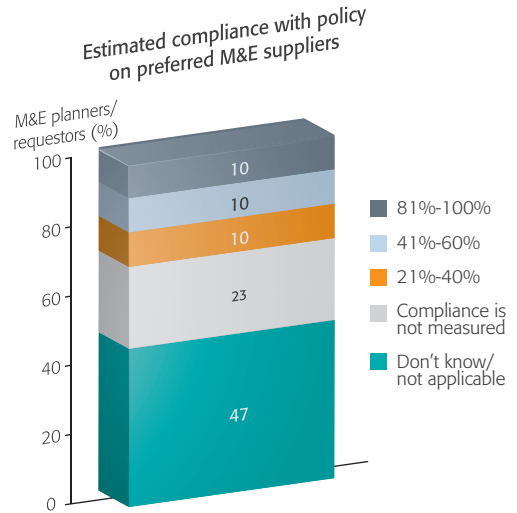
**Figure 95: Estimated level of compliance with M&E policy**



Source: CWT Travel Management Institute  
Based on a survey of M&E planners and requestors (201 respondents)

- **Compliance with the M&E program of preferred suppliers** can be difficult to measure. The only way is to track spend with each preferred supplier such as hotels and venues. According to *CWT Diagnostic* data, 70 percent of surveyed planners and requestors either do not measure compliance (23 percent) or do not know the level of compliance with preferred supplier policy in their organizations (48 percent), as shown in Figure 96. Realistically, companies can expect preferred suppliers to account for a maximum of 20-25 percent of M&E spend. This is because preferred suppliers tend to be used only for meetings and events that recur in locations close to a company's sites.

**Figure 96: 70 percent of planners and requestors do not measure or know the level of compliance with preferred supplier policy**



Source: CWT Travel Management Institute  
Based on a survey of M&E planners and requestors (21 respondents)

## SUMMARY

Best practices for evaluating M&E performance and policy compliance include:

- Systematically measuring attendee satisfaction using standardized evaluation forms for all types of meetings and events
- Evaluating return on investment and/or return on objectives for large, high-impact events
- Asking key stakeholders to jointly evaluate supplier performance
- Agreeing on a continuous improvement plan with suppliers
- Conducting aggregate program analysis
- Measuring compliance with M&E policy, including the use of preferred suppliers



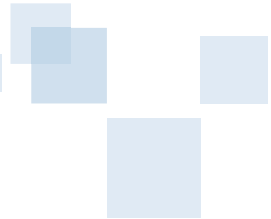
# Conclusion

Organizations recovering from the economic crisis will have more freedom to invest resources in meetings and events but they will also pay closer attention to return on investment.

Increasingly meetings and events will be authorized only if they address clear business objectives and companies will track performance on a variety of key indicators—not just cost savings and attendee satisfaction.

Getting the most out of M&E requires a strategic approach built on input and support from all kinds of stakeholders, including top management. Ideally companies set an agenda for step-by-step improvements using best practices from procurement, travel management, marketing and other areas across the organization.

Successful M&E programs can take time to design and implement but the benefits make the process worthwhile.



## Case study: improving M&E management

A leading pharmaceutical group based in the United States revamped its meetings and events management process in North America over a period of three years.

The first main step was to design a policy requiring organizers to register every meeting or

event starting from at least 10 room nights. A team of representatives from different business units and functions defined two categories of meetings and events—internal and external—and eight sub-categories. A single system was then developed to process all requests for a meeting or event, which systematically require approval. Finally, employees were trained on how to use the system. (See Figure 97.)

Figure 97: A leading pharmaceutical company implemented a four-step process to improve meetings and events management

1	Define corporate M&E policy	2	Define M&E categories	3	Design & implement technological platform	4	Implement approval process and mandatory policy enforcement
	<ul style="list-style-type: none"><li>Recognize need to optimize M&amp;E spend</li><li>Involve global strategic sourcing</li><li>Establish global meetings management at corporate level</li></ul>		<ul style="list-style-type: none"><li>Work closely with cross-functional teams</li><li>Result: 2 main categories (external vs. internal) and 8 sub-categories</li><li>Define key needs for each category (translated into criteria for supplier selection)</li></ul>		<ul style="list-style-type: none"><li>Design a customized system for M&amp;E category selection, sourcing and spend tracking</li><li>Applicable to all M&amp;E categories, including virtual meetings</li></ul>		<ul style="list-style-type: none"><li>Consult functional teams and business units</li><li>Obtain executive approval</li><li>Introduce company-wide policy for using meetings management system</li><li>Implement system and train staff</li></ul>
2 years						1 year	
North American then global scope							

Source: CWT Travel Management Institute

Thanks to this process, overseen by a new global meetings management group, the company has boosted productivity and made savings. It estimates that more than 90 percent of meetings and events spend is now tracked, providing significantly greater visibility over M&E spend. This helps set an annual budget based on previous spend along with projected revenues and profitability.

The company has also reduced the number of long-term contractors it works with and strengthened its partnerships with them. It

now has a single sourcing partner for finding hotels/venues and conducting negotiations, and a dozen logistics providers—compared to hundreds previously—handling more than 400 meetings and events annually. Multi-year contracts are favored over recurring requests for proposals.

As a next step, the company plans to run global requests for proposals. To do so, it will identify one global sourcing partner and set up a common technology platform.

## Case study: tackling M&E hotel costs

A global consumer goods company launched a project to better control the hotel costs associated with meetings and events. These were estimated at around US\$6 million for total M&E spend of US\$30 million.

Three main savings areas were identified: consolidating the event registration process, channeling meeting requests through technology and negotiating packaged rates at preferred hotels in key cities.

To address the first two points, the company introduced an M&E policy requiring M&E planners and attendees to use an online registration tool managed by its travel management company, CWT.

CWT was also asked to help select and negotiate better terms with preferred hotels in key European cities. Forty-five properties were selected from the transient travel program to

maximize leverage in negotiations. Two major improvements were achieved. First, room rates were reduced to the rates paid in the transient travel program—a best practice in negotiations, bearing in mind that rates for M&E tend to be higher. Second, prices and service packages were obtained for three M&E categories (defined by the number of participants), including meeting room hire, food and beverage, audio and video equipment and the use of a business center. These packages were negotiated for 18 months rather than 12 months as before. Benchmark information confirmed that these negotiated rates and conditions were competitive.

As a result, the company reduced its hotel spend in those cities by 15 percent. Further potential savings were identified based on the company continuing to consolidate its preferred supplier program.



# CWT Meetings & Events

CWT Meetings & Events deploys dedicated teams to help clients increase the effectiveness of their meetings and events programs and ensure they consistently achieve business objectives. A comprehensive range of services drives savings and satisfaction, control and creativity by:

- Improving the quality of meetings and events
- Increasing return on investment
- Satisfying attendees and other stakeholders
- Boosting efficiency in M&E management
- Providing access to leading tools and technology

CWT Meetings & Events has three core offerings:

<i>CWT Meetings</i>	<i>CWT Meetings &amp; Events Solutions</i>	<i>CWT Events</i>
<p>A flexible range of on-demand resources and services for meeting planning and execution:</p> <ul style="list-style-type: none"><li>▢ Pre-planning and approval</li><li>▢ Supplier sourcing and contract management</li><li>▢ Attendee management</li><li>▢ Accommodations</li><li>▢ Transportation</li><li>▢ Onsite operations</li><li>▢ Payment and reconciliation</li><li>▢ Risk management</li><li>▢ Performance assessment</li></ul>	<p>Customized recommendations for developing and optimizing best-in-class M&amp;E programs:</p> <ul style="list-style-type: none"><li>▢ Spend analysis</li><li>▢ Step-by-step M&amp;E program assessment</li><li>▢ Strategy design and implementation</li><li>▢ Change management</li><li>▢ Ongoing program optimization</li><li>▢ Performance measurement</li></ul>	<p>Creative concepts and coordination of all types of events:</p> <ul style="list-style-type: none"><li>▢ Incentive travel</li><li>▢ Conventions</li><li>▢ Product launches</li><li>▢ Congresses</li><li>▢ Gala dinners</li><li>▢ And more...</li></ul>

In addition, *CWT Meeting Strategy Plus* offers customized packages of services and specialized consulting to develop enterprise-wide meetings and events programs.

*CWT  
Meetings*

*CWT Meetings & Events  
Solutions*

*CWT  
Events*

*CWT Meetings Strategy Plus*



## *CWT Meetings & Events at a glance*

- More than 30 years' experience in M&E
- Global footprint combined with local knowledge: more than 800 employees in 40 countries
- 20,000 regional events managed for 1 million participants in 2008
- Clients from diverse sectors including retail, food, technology, pharmaceutical/medical devices and services

**CWT**  
Meetings&Events





For more information on how CWT Meetings & Events can help your company, please contact your CWT sales or program manager or email us at: [tmi@carlsonwagonlit.fr](mailto:tmi@carlsonwagonlit.fr)

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