

SMMP: part of the toolkit?

We return to the issue of Strategic Meetings Management Programmes (SMMPs) and offer edited extracts from The Hotel Booking Agents Association's recent White Paper

The growth of strategic meetings management programmes (SMMPs) over the last five years has been slow in the UK and been driven by larger corporates with larger volumes of low touch events and more opportunity to accrue benefits.

The subject is certainly on the radar of most corporates but for many the talk does not translate into action.

Strategic meetings management is seen as the last bastion of unmanaged travel, particularly if the corporate has already globalised transient spend. Companies know that strategically managing meetings spend will help leverage suppliers and mitigate risk, however.

The trend has been driven by the introduction of procurement professionals into the buying and management of event services. They firmly believe that strategic sourcing can bring cost savings, reduce spend and generate a full set of data.

The Chartered Institute of Purchasing and Supply (CIPS) reckons strategic sourcing can save between 10-29 per cent, placing travel and incentives as a key category for procurement to manage.

There are many statistics that reinforce the size of opportunity that SMMPs deliver but perhaps one, that some 40 per cent of corporations cannot identify how much is spent on meetings, speaks volumes.

An integral part of the SMMP is the implementation of technology. No one doubts that technology is an enabler but, unlike the US market, few companies in the UK have automated all elements of their events programme.

Corporates are choosing to automate the labour intensive elements of meetings management, namely delegate registration and, to a lesser degree, the RFP process and venue find. The low adoption of RFP tools has been likened to the introduction of self booking tools (SBTs) into the transient side of the business 10 years ago, when the efficacy of US imported tools was questioned.

SBTs have been accepted for use for only



“Spend is fragmented where multiple personnel book meetings independently”

point-to-point, simple journeys by air and some believe eRFPs will only work for small simple meetings of say, 20 people wanting one meeting room. The agency community largely will work with the tools only when clients dictate. Concerns over double entry, clunky interfaces with their own system, cost and, more fundamentally, over undermining their business models, are at the heart of these agency concerns.

Several homegrown eRFP solutions have been spawned, as well as hybrids from the venue finding agencies.

One characteristic unites all markets, and

that is the fragmented nature of the spend within an organisation, where multiple personnel book meetings independently.

Visibility of spend

The objectives of an SMMP are, first and foremost, to gain visibility of the meetings spend. Until companies have a handle on exact expenditure, they have no idea what the savings opportunities are.

Agency Grass Roots cites an example of a client booking 26 different venues for internal training events. They consolidated to one venue and saved £1m a year.

Spend is usually booked by multiple departments, such as HR, Marketing, PAs and secretaries, and not usually managed by one person. These departments often do not talk.

It is no surprise that companies are usually way off in guesstimating meetings and events spend. So often a £3-4m estimated budget turns out to be £10m when items such as AV event costs are included.

It's no wonder that procurement likes technology-driven SMMPs. They make the spend reportable and expenseable.

Other objectives of an SMMP are process automation; improved sourcing and procurement, usually by consolidating the

supply chain; improved compliance and risk mitigation.

Iona Courtenay-Warren, Head of Meetings and Events at Hotelscene, reckons that big savings come in year two of an SMMP, typically from consolidation of suppliers.

Traveller safety is also a big issue, so being able to turn a report to find out where the event is, contact details of the organiser and a list of delegates is essential.

Continuity is another plus of using an external reporting tool, should the corporate switch agencies.

Meetings Management lists four main objectives for an SMMP:

- Visibility as to what meetings are taking place
- Risk mitigation
- Savings and leveraging spend
- Process.

"It's savings off fixed costs, not variable costs, that clients are after," says Grass Roots' David Taylor, referring to items such as headcount.

One law firm managed to lose two staff from its internal events team once it had

automated the delegate registration process, for example.

In terms of process automation, BDRC reckons it takes on average 11 minutes to make a phone booking, whereas it could be done in three clicks on an eRFP tool.

The major RFP players are US software solution providers, StarCite and Cvent. Both have made inroads in the US with large multinationals, with a similar user pattern in the UK with the likes of Shell, Pfizer and Deutsche Bank (StarCite) and P&G (Cvent) as early adopters.

Cvent is an online event management tool suitable for multi-day events that includes event registration functionality and integration with a company website. It also offers multi-language translation and transaction in multi currencies. It carries a substantial set-up fee.

StarCite grew from a registration technology company for sporting events and its main objective is process efficiency and visibility of conference spend. Early adopters were pharma and financial companies, as they are required by law to report their spend.

The company entered the UK market eight years ago and many say its product is more suitable for the larger conventions of 150 delegates and

above, although the company says its system is scalable.

The tools do a number of things well, particularly for a corporate that doesn't engage an agent. If they push all meetings through the tool, corporates can capture all they wouldn't otherwise get.

The perception of some is that StarCite and Cvent are too big to take on, "yet they can switch off the bits they don't need", notes Hotelscene's Courtenay-Warren.

StarCite has recently added iPhone and iPad capability and a Meetings Locator, which allows planners to ballpark price by destination.

Both providers have approached the UK market more softly, realising the personal relationships in the European marketplace are different to the US.

Content of both software providers is one thorny issue as they focus on the major hotel chains and offer less coverage of independent hotels and the more unusual venues more prevalent across the UK and Europe. This may be a disadvantage to small and medium sized enterprises.

"With Cvent, there's very little content in the provinces," says Conference Care's Andrew Deakin. "ABC (Connections) has better content than Cvent."

StarCite Vice-President Kevin Iwamoto says: "Boutique hotels or unusual venues traditionally don't participate as they don't have the resource."

Another criticism is the "clunky interface". "Cvent and StarCite can be difficult to navigate. It can take a long time and you're basically making their whole proposal for them," says Sharon Joseph of The Belfry Hotel.

Some agencies feel they are having to pick up the pieces for the shortcomings of the systems. Said one agent, who wishes to remain anonymous:

