

PROJECT ATTRITION TEMPLATE 2: EVENT ORGANIZER TIMELINE FOR EVENTS WITHOUT A SIGNED CONTRACT

The following planning template is a product of the Convention Industry Council's *Project Attrition*. In early 2003, industry leadership gathered together and funded an initiative that was designed to broaden the awareness among industry professionals about attrition and its impact on the meetings, conventions and exhibitions industry. The initiative is *Project Attrition*.

This tool, Template 2 and three other templates were designed to assist the professional event and trade show organizer and industry suppliers in managing today's number one problem, attrition. This template is intended to assist the meeting professional and trade show organizer in preparing to enter new contract negotiations for meetings, conventions and exhibitions to be planned in the future. It also suggests a series of specific tactical approaches in building long-term commitments and managing data about attendee and exhibitor habits and behavior. These efforts will assist meeting professionals in understanding the value of good data for future hotel contract negotiations.

Pre-Site Selection

- ❑ From all levels of management in the organization, ensure the understanding about the event's attendee guest room reservation patterns and secure a commitment to implement policies to limit the organization's attrition liability.
- ❑ Invest time to research the past guest room reservation patterns of attendees. Identify the percentage of attendees that make guest room reservations within the official group block at the event-contracted hotel, the percentage of attendees that make guest room reservations inside the event-contacted hotel, but outside of the official group block and the percentage of attendees that make reservations outside of the event-contracted hotel.
- ❑ Calculate the organization's strengths and the event's financial worth to facilitate sound hotel and destination negotiations. Create a report that outlines the revenue generated by the event (guest room revenue, group food and beverage revenue, transportation revenue, etc.).
- ❑ Be able to provide accurate guest room history (ideally include all statistics – guest room reservations at cutoff, guest rooms actually utilized, the percentage of no-shows and cancellations and a pace report).
- ❑ Research cities that can accommodate the event with respect to exhibit space, meeting space, guest rooms inventory, proximity of hotels to the convention center (if needed), airlift, climate, etc. Evaluate the cities that meet the event needs (logistics) and the attendees' preferences.
- ❑ Ask for references from like organizations from the city's convention & visitors bureau (CVB). Contact the references and ask about their experience with the city, negotiations, contracts, and the final event. Try to identify intangibles that may affect guest room pickup.
- ❑ Deliver RFP's (Request for Proposal) to targeted hotels and cities.
- ❑ Research other groups in town during preferred time (contact the destination's convention & visitors bureau).
- ❑ Research the room rates paid by other groups for prior years during same timeframe (contact the destination's convention & visitors bureau).
- ❑ Assemble and provide a preliminary conference schedule (usually based on most recently completed conference, unless there will be significant changes, i.e. increase or decrease by a day, lengthening or shortening of exhibitor hours, etc.).
- ❑ Inform attendees and exhibitors about the importance of booking inside the official group block. Explain all financial implications to the association and future implications to the attendee.

After Site Selection is Completed

- ❑ Solicit approval from the Board or appropriate group on the site recommendation based on the information gathered during site inspections.

Contracting

- ❑ Resist signing hotel contracts with attrition clauses (if possible).
- ❑ If an attrition clause is unavoidable, secure understanding on the formula for determining attrition, when it applies and what the cost can potentially be to the organization. Understand how the calculation will be made, i.e. total guest room usage per night or on an accumulated basis.
- ❑ Secure commitment from the hotel(s) in the contract that the organization will receive credit for guest rooms utilized in the hotel but outside of the official group block.
- ❑ Secure commitment from hotel(s) for a post-event audit of the group registration list and the hotel in-house guest list. Reach an agreement and an understanding of when the audit will be conducted. Correlate audit date with any specified due date for an attrition payment, if one is due. Negotiate the cost of an audit.
- ❑ Secure a commitment from hotel(s) that they will not offer a lower room rate than group rate over the dates of your meeting other than those they have existing commitments to, i.e. government, corporate, airline, AARP, etc., Do not allow internet fire sales.
- ❑ Obtain commitment that the hotel(s) will not walk attendees who reserve a guest room within the official group block.
- ❑ Provide documentation of past history to include guest room pickup and the financial value of group.
- ❑ Be aware of what concessions you want and ask for them.
- ❑ Expect the meeting vendors have done their homework on your meeting before you begin negotiations. Be sure you know what you bring to the table.
- ❑ Understand there is a balance between hotel rate and concessions - know that at some point, the more concessions you get the higher your rate is going to be in order to cover the cost of items such as turn-down service, VIP amenities, incentives, etc. Establish priorities long before negotiations begin.
- ❑ Determine policies for group, i.e. reservation method, payment method, etc.
- ❑ Seek commitment from the hotel(s) to oversell by an agreed upon percentage and include it in contract to account for historical slippage after cut-off.
- ❑ Provide hotel(s) with all meeting data and seek joint marketing and promotional partnership for the meeting. Demonstrate changes in policies and procedures designed to motivate attendees to book inside the official group block.
- ❑ Seek support from legal counsel prior to executing agreements.

Planning (Which Includes Managing the Group Block, Registration, Housing and Reporting)

- ❑ Determine a mutually agreeable schedule to meet with the hotel contact once registration opens to review guest room pickup, i.e. once a month, once a week, daily, etc.
- ❑ Make adjustments to the guest room block as appropriate based on trends identified through data collection.
- ❑ Determine if meeting space will be adjusted due to guest room slippage and/or if meeting room rental will be charged.
- ❑ Review group guest room pickup to date and compare to last year's pickup and previous years at the same time. Are there obvious and identifiable trends requiring amendments to existing procedures?
- ❑ Review hotel inventory and meeting space being held relative to guest room pickup on a regular basis once registration opens.
- ❑ Develop a timeline relative to critical dates, i.e. registration opening, cut-off date, date to release guest rooms without incurring a penalty, etc. and share with appropriate parties.
- ❑ Offer an on-line registration method for people with Internet access to register for both the hotel and the meeting (in this case, the organization or third party housing bureau would provide guest room pickup reports to hotel).
- ❑ If on-line registration is not an option, provide another method of registration that would provide "one-stop" shopping by combining meeting registration and housing.

- ❑ Beware of “predator” firms; institute policies requiring the organization to review all pre-event mailings by exhibitors or new members. Ensure companies are whom they say they are, i.e. use Internet to verify new or unheard of exhibitors.
- ❑ Spot check related web sites and 800 numbers to ensure the integrity of the contracted guest room rate.
- ❑ Track in-coming registrations that do not include a housing request.
- ❑ Follow-up on registrations that do not include housing via email, fax or phone (order of preference).
- ❑ If necessary, determine why attendees are not securing guest rooms at contracted hotel(s).
- ❑ Continue to accept reservations past cut-off date to offset cancellations and to minimize slippage of the guest room pickup.
- ❑ Have a pre-determined policy for wait listing options.
- ❑ Send email blasts (as necessary) to past and potential attendees encouraging them to make guest room reservations within the official group block.
- ❑ Educate the attendees through newsletters, email, faxes, by explaining the financial liability the organization faces when attendees stay outside the official group block and outside the event-contracted hotel(s).
- ❑ Allow exhibitors to reserve guest rooms based on actual pickup from the prior year and make adjustments only if booth size increases or decreases.
- ❑ Continue to accept housing requests after the cut-off date if the guest room block is not filled (requires hotel approval; negotiate in the hotel contract if possible; depends on guest room availability).
- ❑ Continue to communicate guest room availability via blast emails, faxes to membership after the cut-off date (requires hotel approval; negotiate in the hotel contract if possible; depends on guest room availability).
- ❑ State clearly what portion of the registration fee (if any) can be refunded if an individual cancels and specify the date the cancellation must be communicated in order to receive a refund.
- ❑ Make a series of daily or weekly reminders to yourself of the date the organization can release guest rooms without penalty in an obvious way, i.e. pop-up note on computer, calendar notations, etc. and back that up 30 days to make a daily, bi-weekly last-push effort to fill the group block at host hotel(s) via blast emails, faxes and/or telephone calls.
- ❑ Monitor the guest room pickup right up until the last night of the event.
- ❑ Advise the CEO, Board of Directors and other financial officers, of any attrition clause and potential risk associated with the hotel contracts.
- ❑ Use an attrition clause as leverage with the CEO and Board of Directors to justify why changes might be necessary in the registration processes and procedures for the meeting.

Marketing

- ❑ Publicize to potential attendees/membership why they should stay at the event-contracted hotel(s).
- ❑ Explain the organization’s financial liabilities to the targeted audience through all available resources, i.e. newsletters, organization’s web site, blast emails, faxes, etc.
- ❑ Promote the value of staying at the event-contracted hotel(s), i.e. networking opportunities, ease of access to functions, guarantee from event-contracted hotel(s) attendees who book within the official group block will not be walked.
- ❑ Communicate the repercussions if the organization incurs attrition fees, i.e. reduction of member services, higher dues, higher registration fees, etc.
- ❑ Associate the meeting experience and the hotel experience, make the total experience what the attendees’ want. As long as a guest room usage is seen as just a commodity, there will always be cheaper places to stay.
- ❑ Create a “buzz” around staying at the event-contracted hotel(s). Below is a list of options to offer:
 - Offer a discount if the attendee stays “x” number of nights.

- Offer the attendee double points (in a frequent traveler program – with approval from the hotel).
- Create a drawing – for every night the attendee stays at an event-contracted hotel, his/her name is entered into a drawing for a complimentary guest room and/or complimentary meeting registration for the next year’s meeting.
- Give a prize to the 500th guest to check-in (make sure this is in compliance with any company, federal or state regulations, depending on the group).
- Make sure value-added services negotiated in the event-contracted hotel(s) contract are well publicized in the written and printed collateral sent out by the organization, i.e. complimentary health spa usage, reduced or free internet and long distance rates, etc.
- Negotiate a special rate with a rental car provider for attendees who book within the official group block and add that to promotional materials.
- Encourage housing at event-contracted hotel(s) by offering a reduction in on-site meeting registration rate and/or extended hours for picking up registration materials. In addition, ask the event-contracted hotel(s) to imprint the organization’s logo (very minimal cost) on guest room keys and when an attendee presents the key in designated area, they are queued in separate, faster lines for services, like shuttles or entrance to the exhibition, etc.
- Require an imprinted logo key, badge sticker or other identifying object, in order to have access to official transportation shuttles, or other services offered by the organization for attendees who stay at an event-contracted hotel and in the group block.
- Solicit and provide incentives to exhibitors; create a point system for booth placement in succeeding years for those who stay at an event-contracted hotel and in the group block.
- Consider policies that associate freight and move-in policies to exhibitors who stay at an event-contracted hotel and in the group block.
- Make all parties aware of “Predator” companies – usually travel agencies who seek membership or to exhibit at your trade show, thereby gaining access to an attendee or pre-registration list. In turn these companies utilize the association name in soliciting attendees to reserve guest rooms through their service. This is an unethical business practice occurring in several cities today. Consider establishing policies on pre-event mailings requiring approval prior to distribution. If a predator firm is identified, seek any and all legal remedies and prosecution.
- Make attendees aware of potential problems they can encounter at non-sanctioned hotels, i.e. no recourse for lost or cancelled reservations, they can be walked, poor quality of hotel guest rooms, poor service, no shuttle access, etc.
- Let attendees know there is no recourse for them through the organization for any “wrongs” when guest rooms are booked through predator companies.
- Use every means available to communicate the benefits to the attendee who stays at an event-contracted hotel and in the group block.
- Begin the marketing campaign for the next year’s meeting upon commencement of the current meeting, announce the site, provide preliminary registration and event-contracted hotel(s) information.
- In the post-event survey, ask the attendee if he/she stayed at an event-contracted hotel and why, or why not?
- Add an incentive to complete the survey (again, compliance with any company, federal or state regulations).

Partnering / Co-Sharing of Action Items

- Coordinate calendars to create regularly scheduled meetings between event organizer and hotelier and bureau.
- Determine when reports will be produced, reviewed and shared between the parties for monitoring of the guest room pickup and meeting space.
- Request that the event-contracted hotel(s) and bureau take an active and direct role in marketing the event-contracted hotel(s) to the association members, i.e. provide marketing pieces in the organization’s newsletter, blast email and faxes to membership.

- ❑ Request event-contracted hotel(s) and bureau promote your meeting on their web site(s); include the meeting dates and value-added services, etc.
- ❑ Determine appropriate times to release guest rooms back into the hotel inventory for sale if the guest room pickup is slow (not lower than the group rate).
- ❑ Determine if a “fire-sale” is appropriate if organization appears to be heading in the direction of paying attrition, this might be at 30 days out or 21 days out or 14 days out, etc.
- ❑ Begin the audit process (in the contract) immediately upon group check-out in order for the group to capture any guest rooms that may have been reserved outside of the group block
- ❑ Discuss guest room pickup at a separate time from the pre-event meeting once on-site. so the focus of the pre-event meeting stays on servicing the group.
- ❑ Discuss strategies that worked or did not work in filling the official group block and reducing attrition penalties upon conclusion of meeting, at a time separate from the post-event meeting.
- ❑ Post-Event:
 - Retrieve a guest room pickup report on a night-by-night basis from the event-contracted hotel(s).
 - Review the contract for the next year’s meeting (and beyond) and revise the guest room block if necessary, immediately (if more than 10% slippage and reason not due to significant change in economic climate or heightened security levels resulting in attendees being reluctant to travel).
 - Send thank you letters/notes along with updated attendee list to exhibitors along with preliminary information for the next year’s show; if there was an increase in attendance, be sure to highlight that information.
 - Tally and review the post-event survey from attendees to help determine why attendees may have booked outside the event-contracted hotel and/or outside of the official group block.