

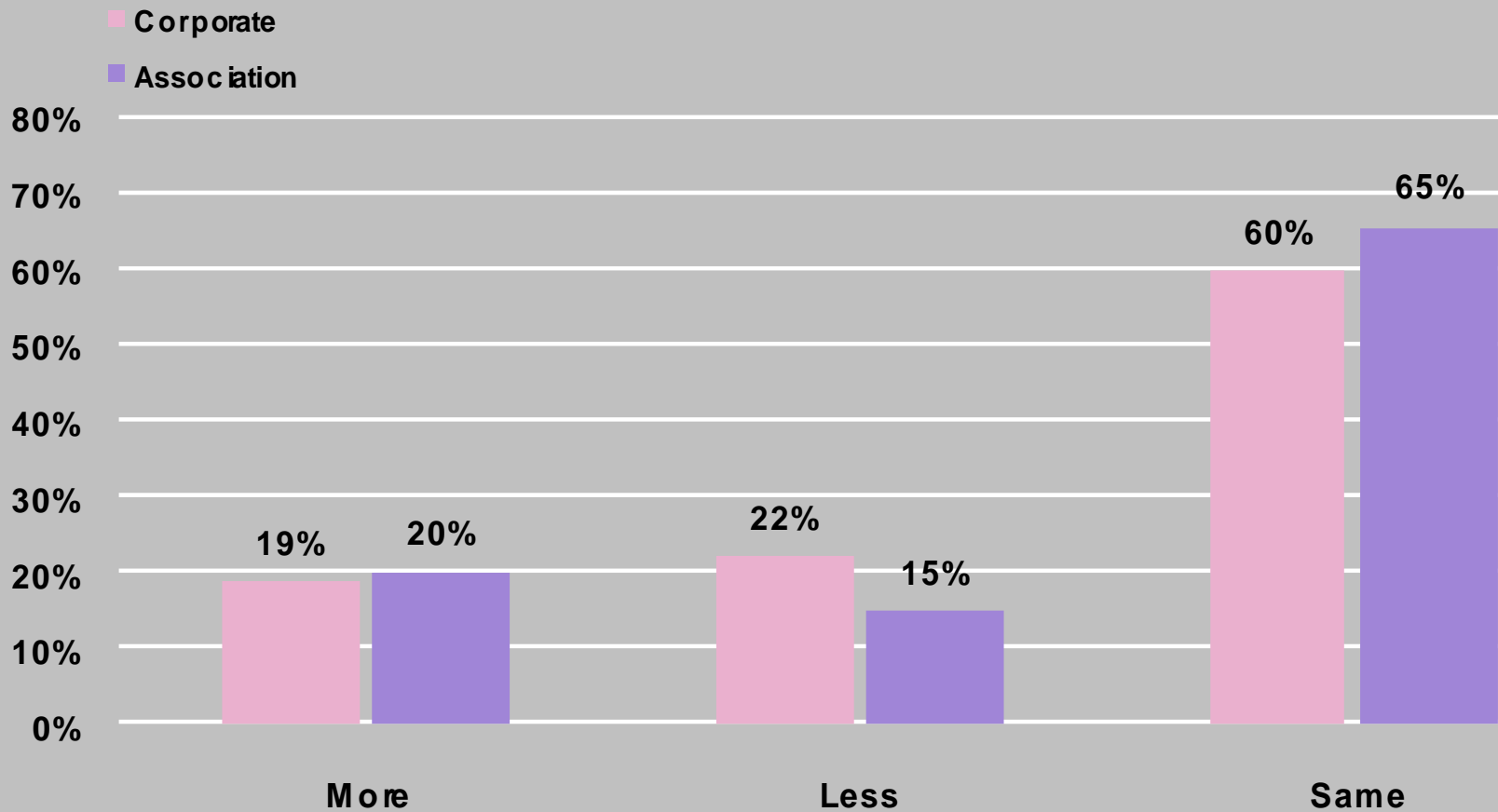
What's happening: are we on
the road to recovery?

Tony Rogers
and
Expert Panel

Sally Greenhill
Managing Director
The Right Solution

Implications for Business 2010

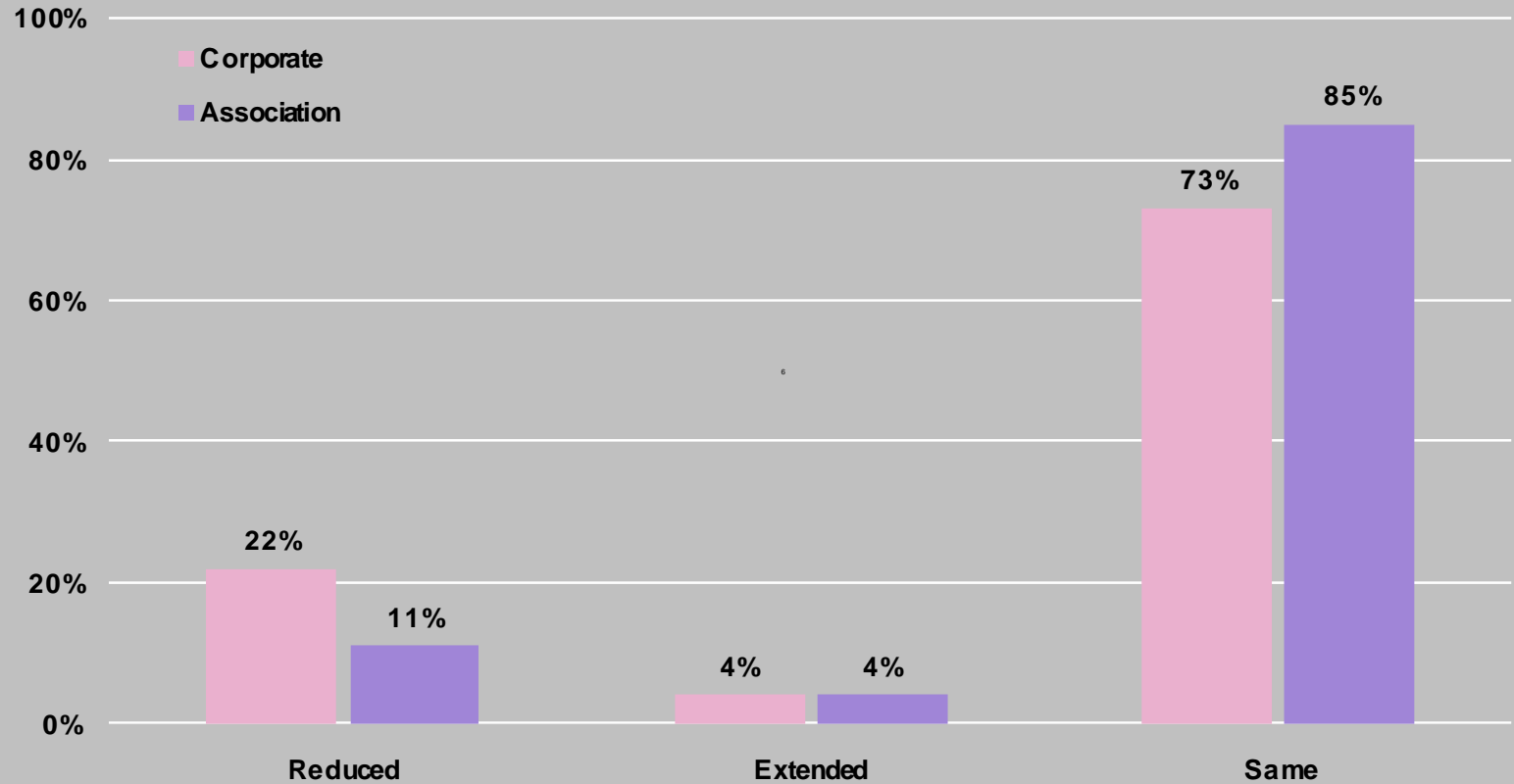
Number of events, Year Ending June 2010 vs. June 2009



BMEIS 2009

Implications for Business 2010

Duration of events



BMEIS 2009

Implications for Business 2010

Annual budget for events

	Last year	Change	Forecast
Associations	£180,466	+0.5%	+0.1%
Corporates	£209,730	-1.9%	-0.1%

Implications for Business 2010

Issues of most concern for the next twelve months

1. Reduced budgets/pressure to reduce costs
2. Venues cancellation policy
3. Producing interesting events relevant to audience
4. Economic climate affecting organisation
5. Terms and conditions for venues and suppliers

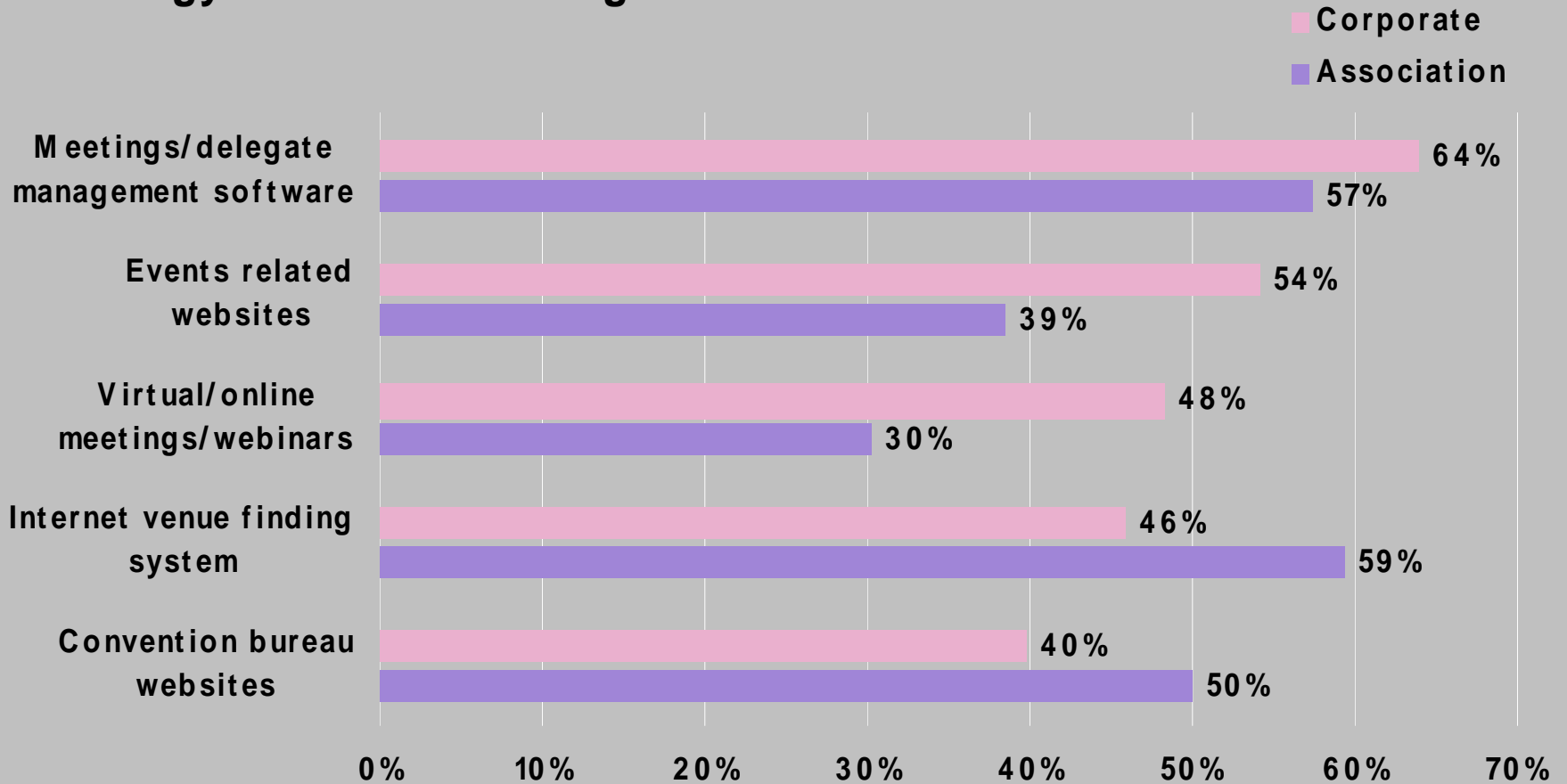
Implications for Business 2010

Preferred incentives

	Associations	Corporates
1. Added value items	75%	78%
2. Discounts on multiple bookings	65%	51%
3. Discounts on long term contracts	27%	22%
4. Incentive gifts/awards	14%	13%
5. Discounts on exchange rates	10%	1%

Implications for Business 2010

Technology used for event organisation



Implications for Business 2010

Future Watch 2010 planners predictions

- Budget cuts and stringent budget controls
- Operating efficiencies –back to basics
- Closer attention to value and ROI
- Doing more with less
- 28% expect gradual industry growth

Source: MPI

Implications for Business 2010

Future Watch 2010 Business drivers

Planners
Suppliers

- | | |
|---|---|
| 1. Competitive price | 2 |
| 2. Good customer service | 3 |
| 3. Good personal relationships | 1 |
| 4. Facility uniquely well suited to needs | 9 |
| 5. Perception of good value | 4 |

Source: MPI

Implications for Business 2010

Future Watch 2010 Business drivers

Planners	Suppliers
6. Good follow up	6
7. Innovative solutions	7
8. Fast RFP turnaround	5
9. Regular email	11
10. Superior technology	15

Source: MPI

Implications for Business 2010

How to thrive

1. Business mix and new opportunities
2. Pro active sales
3. Flexibility
4. Negotiation skills
5. Yield management
6. Take a fresh look at your product

Thank you & Good luck

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- Banks Sadler
- A View from the Coal Face - 1
- Julie Norburn
- Group Sales Director

•Banks Sadler – who are we?

- Independently owned
- 28 years old
- Full Event Management Company
- 50% Venue Find
- 50% Event Management
- Offices in London, York, Paris, Dusseldorf and Stockholm
- 80% of our business via contracted clients
- Placed £90 million spend and £110 million enquiries in 2009
- Managed events in over 35 countries

2009 – The year of two very different halves:

Scary

- Perception
- Cancellations
- Budget freezes

Wary

- Incentives – Scaled down
- Tougher market
- Tenders
- Budgets reduced
- Hold off signing contracts
- Shorter lead times



2010 - Optimistic

- Market picked up
- Consolidation
- EMEA
- Global
- Short lead times will still impact this financial year
- Challenge



Our Findings

Incentives

- Market Picked Up
- Consolidation
- Budget control
- Smaller group size
- Stakeholder agreement required
- Authorisation process more in-depth
- Motivation and retaining staff
- Increase in short and medium haul
- Reduced long haul

•Meetings

- Virtual Meetings?
- Increased – enquiries 35% on last year
- Optimistic

Our Findings

Conferences and Corporate Events

- Content driven
- ROI/ ROO
- Fun element reduced
- Encourage team building
- Customer Conferences – high spend
- Internal Conferences – spend reduced

What are clients wanting as part of their logistical support?

- Risk, Health & Safety Controls and Procedures
- Crisis Management
- Corporate Social Responsibility
- Flexibility – scale up or down

•Risk Management

•For each event a risk evaluation:

- Venues

- Activities

- Transportation

- Evaluation Forms

- Health and safety specialist

- Individual assessment is carried out on site inspections

- Risk assessment document created

- Liability insurance and insurance documents

- Work alongside corporate clients health and safety officers

•Crisis Management

- Comprehensive Crisis Management Programme to include:
- Crisis Response Manual
- Crisis team
- Action plan
- Comprehensive training

•Corporate Social Responsibility

- Green Globe Index
- UN Global Compact
- Future Initiatives
- Committed to reporting emissions via the Carbon Consultancy and reducing direct and indirect impacts
- Consider transport methods carefully to ensure clients' carbon footprint is kept to a minimum
- Support local suppliers



- **Summary - Conclusion**

- Optimistic regarding budgets and all types of events returning
- More business focused events
- Seeing higher volume but smaller groups
- Clients looking for consolidation both geographical and spend related
- Consultancy approach to ensure best practice with regards to Risk, CSR as well as the quality of the Programme
- Not out of the woods yet

BANKS / SADLER

- **Your partner for successful events**



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A View from the Coal Face - 2

Jacinta Scannell

Managing Director, Happening
Executive Member, ABPCO



ABPCO survey

- Annual budget – 43% -£1m +
- 95% held in the UK
- ≤500 delegates – 17.5%
- ≤1,000 delegates – 21.5%
- 1,000+ delegates - 61%



Current trends

- Reduction in event budgets
- Reduction in delegate numbers and event size
- Shorter events
- Shorter lead times
- Procurement influencing decisions
- Reduction in public sector spending
- Value of face to face meetings



New business enquiries

Up by between 1-20%	16.7%
Up by more than 20%	8.3%
About the same	45.8%
Down by 1-20%	25.0%
Down by more than 20%	4.2%



What does the future hold?

- Emerging from recession ?
- Public Sector cuts
- Impact of return to higher VAT rate
- Combination of outsourcing and in-house services
- Opportunity to train and transform
- Availability of experienced staff



Rob Davidson
EIBTM Industry Analyst



Industry Trends and Market Share Report 2009

The Economic Context

- A **mixed** picture
- Some major economies have emerged from recession – some have not
- Some countries were relatively untouched: **BRIC = 50%** of global GDP by next year (20% in 1999). Business confidence returning?
- Widespread governmental **stimulus measures** – sustainable?

The Economic Context

- But **unemployment** rising (US, Europe..)
- In the Asia-Pacific, Japan has been hard hit ...
- ... but Australia and South Korea continue to prosper

Key client sectors for the meetings industry

- **PHARMACEUTICALS** ↑(vaccines ...)
- But: compliance laws, loss of patent protection
- **AUTOMOTIVE** ↓
- End of government incentives; deeper structural problems in the automotive industry in the developed world

Key client sectors for the meetings industry

- **FINANCIAL SERVICES** ↑
- Obstacles blocking European mergers of financial services companies are disappearing
- Expansion in emerging markets
- But: a high degree of public and press scrutiny of financial services meetings and events

Key client sectors for the meetings industry

- **INFORMATION & COMMUNICATIONS TECHNOLOGY** ↓
- Downturn in investment, less consumer confidence, falling prices
- **BUT: BRIC countries less affected (Chinese subsidies)**
- **European ICT industry expected to rebound in 2010**

The general situation

- The **corporate** sector has been hardest hit:
 - Ever shorter lead times
 - Clients shopping around more and comparing prices for facilities and services.
 - Greater use of one-day events to reduce the number of overnight stays
 - A reduction in the number of suppliers they use, to increase the potential for economies of scale
- Even more of a **buyers' market** than before

The general situation

- BUT: the **association** market is buoyant (new associations as offshoots of existing associations)
- Demand for **government** meetings is sustained
- Demand in the **SMERF** (Social, Military, Educational, Religious and Fraternal) sector is growing
- **Venues**: hotels rather than resorts?
dedicated conference centres?

Europe

- General scaling-back
- **UK:** corporate events = shorter, smaller, less extravagant – but more overseas
- Modest rise in association budgets
- **Germany:** little optimism that the meetings and events sector will recover quickly
- Sharp increase in the use of videoconferencing

Europe

- France:
- Shorter events and a drop in the average spending of participants
- A drop in the average number of participants per event and in the average budget per event
- A growing concentration of demand for events in the mid-week period
- Incentive travel has been hit hardest

Europe

- BUT:
Europe still hosts over half of the world's international association events (52.73% - UIA) – although declining ...
- Widespread investment in meetings infrastructure – London, Moscow, Munich

The US

- Widespread cancellations/postponements due to:
 - - economic conditions
 - - downsizing/consolidation
 - - negative media coverage about meetings (smallest category, but the most expensive meetings)
- BUT, 43% (same as last year) of planners said they would be organising events overseas:
 - Canada 42%, United Kingdom 25%, Mexico 24%
 - Western Europe 24%, Caribbean 24% , Asia Pacific 21%

The Middle East & Africa

- Confidence levels are high
- Extensive investment in infrastructure is reaping rewards (IBA 2011 – 4,000 pax)
- Continuing investment – Bahrain's Expo City
- In Africa, South Africa dominates, but other countries are making progress: for example the new Morocco CVB
- In SA, suppliers have increased their marketing effort in the economic crisis

China

- Being targeted by other destinations: for example Abu Dhabi (relaxed visa restrictions)
- Opening of the China National Convention Center (173 events to 2015: 320,000 delegates)

Outlook

- The general outlook for the conference and events industry in the face of the current economic climate is uncertain
- Many commentators believe that it is still premature to talk about the beginnings of a recovery despite growing optimism
- Recovery is generally expected to be gradual – and a second dip into recession cannot be ruled out.

Outlook

- But MPI Business Barometers show evidence of increased bookings for 2010, though smaller meetings
- Though negative rhetoric regarding meetings and events has declined significantly in the past 4 months, a negative public perception of meetings remains
- The trend towards 'no-frills' meetings will continue into the years ahead

The winners will be:

- **suppliers** who offer exceptional value and service, without compromising their sustainability credentials
- **destinations** that target a diversified business base where downturns in one area of the meetings industry can be compensated for with opportunities in others.

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THE EIBTM INDUSTRY TRENDS AND
MARKET SHARE REPORT FROM:**

www.eibtm.com

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AND FINALLY...

- 'Grass Roots Meetings Industry Report 2010' – available free of charge from lisa.maddix@grg.com
- For a copy of the slides from today's seminar, please contact:
tony@tony-rogers.com
(www.tony-rogers.com)