

Strategic Meetings Management

Of MICE (Meetings, Incentives, Conferences, and Exhibitions) and Spend

February 2008

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Executive Summary

Strategic meetings, often referred to as Meetings, Incentives, Conferences, and Exhibitions (MICE), is a multi-million dollar category of enterprise spend, representing nearly 3% of company revenues. Yet, attention to strategic meetings management has been a secondary concern to enterprises, which more often than not have placed the responsibility of sourcing, planning, and administering the various aspects of meetings management (site selection, room reservations, flight reservations, attendee registration, meeting planning and execution, etc.) across multiple resources, business units, locations, and departments. Aberdeen research shows that Best-in-Class enterprises are focused on meetings and events, managing their strategic meetings spend and processes more effectively by blending technology and strategy.

The *Strategic Meetings Management* benchmark report examines the strategies, technologies and processes used by over 300 enterprises in the management of strategic meetings. Our survey base indicates that enterprises are utilizing unique solutions and leveraging the expertise of their procurement department to help alleviate the top pressures and challenges faced in efficiently and effectively administering a strategic meetings management program.

Best-in-Class Performance

Aberdeen defined Best-in-Class enterprises by the level of compliance they have to corporate policies for strategic meetings management. These competitive leaders have leveraged key technologies and processes to achieve:

- **89%** compliance to corporate policies for meetings and events
- **11.4%** annual cost savings on meetings and events spend

Competitive Maturity Assessment

Survey results show that firms enjoying Best-in-Class performance shared several common characteristics:

- Best-in-Class enterprises are **60% more likely to use a corporate events calendar** for tracking visibility into meetings and events
- Best-in-Class organizations **place 41% of their meetings and events spend through formal sourcing processes**

Required Actions

In addition to the specific recommendations in Chapter Three of this report, to achieve Best-in-Class performance, companies must:

- Develop a proper meetings and events approval procedure
- Implement a formal sourcing process for meetings and events
- Systematically and uniformly enforce corporate policies for meetings and events

Research Benchmark

Aberdeen's Research Benchmarks provide an in-depth and comprehensive look into process, procedure, methodologies, and technologies with best practice identification and actionable recommendations

"New discussions are needed around meetings management and making good business decisions around event planning. Is the company doing a good job at this? No one knows and there probably hasn't been much done in the past to understand spending and policies to project where you will end up."

~ VP of Procurement, North American Consumer Goods Enterprise

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Chapter One: Benchmarking the Best-in-Class

Certain categories of spend do not align well with the traditional processes and solutions utilized by enterprises. Meetings and events is one such category due to the intrinsic complexity or in how the service is used and administered across the enterprise. Because strategic meetings are not well suited for traditional supply management solutions, they often fall beyond the purview of the procurement organization and are managed by groups or individuals with more specific expertise.

Taking on this task are both professional and non-professional meeting planners, who must focus on cost but are perhaps more concerned with quality. Coordinating the strategic meetings lifecycle is an onerous assignment with multiple facets and skills required, some of which are not an inherent part of the competencies that these event managers are required to possess. Yet there are others within an enterprise that have specific expertise and talents that can be leveraged, and Aberdeen sees a huge opportunity for the different constituents within the enterprise to leverage their collective expertise to deliver higher quality events at a lower average cost. This sub-category is also referred to by the acronym MICE:

- **Meetings.** The joining of a number of people in a single setting, to confer or carry out a particular business activity
- **Incentives.** A meeting or event as part of a program which is offered to its participants to reward a previous performance
- **Conferences.** Participatory meeting or event designed for consultation, discussion, and strategizing for a particular business topic
- **Exhibitions / Events.** A function where products and services are discussed and displayed

Business Context

Enterprises are increasingly interested in maintaining personal connections between their employees and their customers. In this particular survey pool of over 300 respondents, 60% of enterprises indicated that the amount invested in meetings has increased over the last two years. Such growth points to a growing need for enterprises to focus their management techniques and strategies on the unique and complex category of meetings and events.

Meetings and event management spend within an enterprise is a significant operational cost. As noted in Table I, average strategic meetings spend for the enterprises participating in this study increased by 10% over the past year, demanding the attention of enterprise executives.

Fast Facts

- √ The average enterprises spend on corporate meetings in 2007 was over \$17 million
- √ 44% of enterprises have meetings / events management responsibilities shared across the enterprise

Table I: Meetings and Events Spend

	2006	2007
Average meetings and events spend per year	\$15,801,386	\$17,338,994
Meetings and events spend as a percentage of revenue	2.7%	2.8%

Source: Aberdeen Group, February 2008

The year-over-year rise in spend on strategic meetings, and the fact that meetings and event spend has been 2.7% to 2.8% of revenues for this group of research participants, makes this category difficult to ignore. There is no time like the present for enterprises to step up and claim ownership over this category; no longer are meetings and events considered budgetary afterthoughts nor necessary evils, but strategically relevant foundations for organizational success.

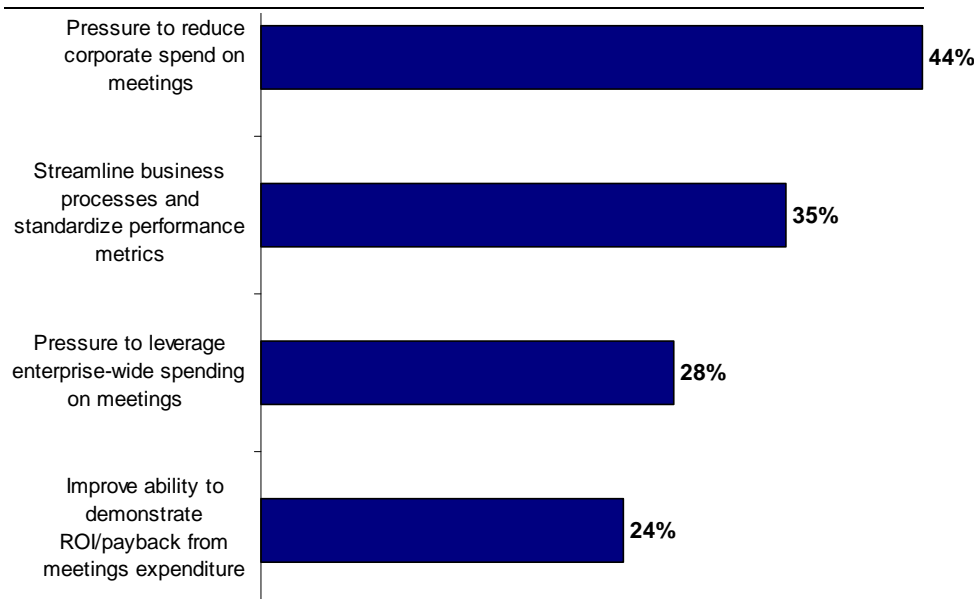
Compliance and Spend

With such a significant amount of a company's budget being earmarked for this category, it is essential to utilize the proper management strategies to gain control over two crucial performance metrics: compliance and savings. More attention is now being paid to the fact that meetings and events spend has increased, on average, nearly \$2 million dollars in the past year alone; enterprises indicated that the top factor driving them to focus efforts on the management of meetings and events spend is **the pressure to reduce corporate spend** on this category (Figure 1).

“Our biggest challenge is understanding what the baseline is. Is there an ROI? Cost savings? Because our program is disorganized and decentralized, we don't have visibility into what we are actually spending on meetings and events.”

~ VP of Procurement,
Large Retailer

Figure 1: Top Pressures to Improve Meetings/Events Management



Source: Aberdeen Group, February 2008

While cutting costs is constantly top of mind for executives and a major goal of the CFO, enterprises reported additional reasons driving the push

toward better spend management. For 35% of those surveyed, streamlining business processes and standardizing performance metrics was a top motivating factor. Moreover, the organization can achieve noteworthy economies of scale by applying available resources to meetings and events spend management, and increasing ROI on strategic meetings administered.

The Event Lifecycle

Aberdeen defines the "lifecycle" of meetings and events management as:

- **Design.** The design process of meetings management includes the planning and pre-production of the event, including site selection and the definition of other "key requirements" for meeting, such as the number of attendees, food and refreshments, and entertainment. A critical aspect of the design phase also includes agenda-building.
- **Source.** This is the negotiation phase of the meetings / event lifecycle. The sourcing process includes negotiating contracts for catering, travel, and lodging, as well as securing appropriate settings for the aforementioned meetings and events.
- **Manage.** The management portion of the event lifecycle helps enterprises manage meetings post-negotiation. One of the crucial aspects of this process is attendee registration, which many technology solutions offer as a key functionality.
- **Measure.** The final process leading up to the actual event and continuing afterwards is tracking costs and compliance for the meeting. This process is the crux of meetings management: compliance to corporate policies and mandates helps drive cost savings and ensures the highest quality meeting or event. Measurement of a meetings ability to meet planned targets is also significant in helping to define the final "success" of the meeting, be it be it budget, number of attendees, or attendee satisfaction.

"I'm not a traditional event planner. My background is in PR, which is part of my job here. I managed some event planning before this, but none were close to the size and scope the events I manage here. As for a support team - yes and no, depending on who the event is for and who is free. And thankfully we also use an outside event planning company that deals with hotel negotiations and things like that, and also a technology solution that I couldn't live without in this job."

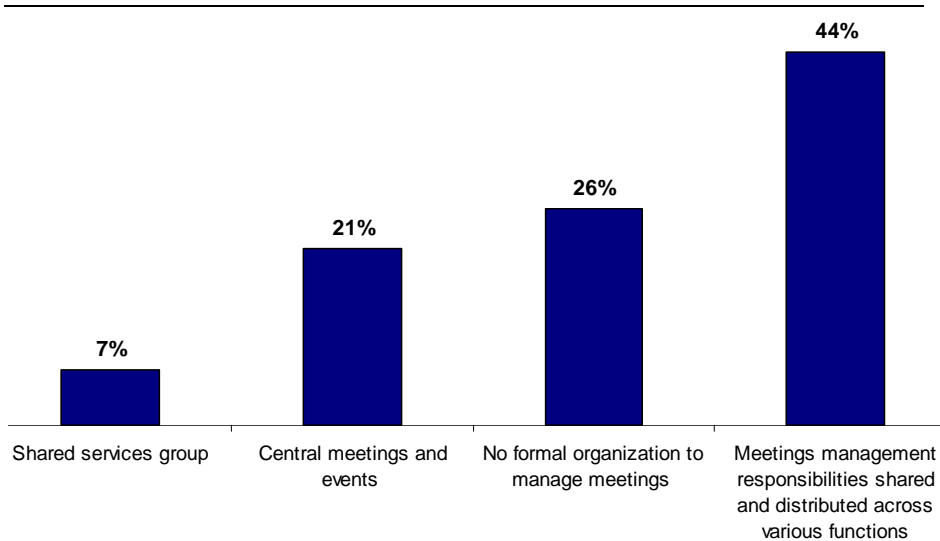
~ Marketing Director, North
American Technology
Enterprise

Managing the Event Lifecycle

As with most categories of spend, meetings and events demand unique strategies and expertise for effective management. As a result, companies commonly have a designated person to manage events. Some companies have hired an individual, or a group of individuals who are trained as event planners while others assign meetings management tasks to executive assistants or other staff within the company who have no experience as a professional meetings and event planner. No matter what their background or the level of understanding of their role, these meetings and event planners are critical to the success of these activities. They shoulder the burden of overseeing each aspect of the event lifecycle. Each stage within the lifecycle is complex in its own right and filled with challenging obstacles for even a seasoned professional. There are many "moving parts" within the meetings / events category; it's not as simple as setting a time and place for an important enterprise meeting or event. Issues such as catering, travel, lodging negotiations, and agenda-building make this category a difficult one

to manage. The provision of additional resources are often not a standard practice, as demonstrated in Figure 2.

Figure 2: Level of Standardization



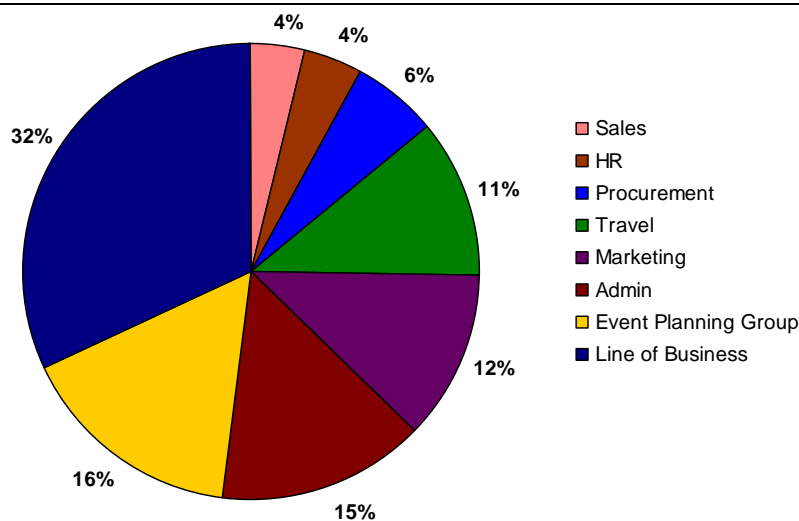
“The responsibility for planning meetings is shared across the organization; for example, the sales department will plan all sales meetings. Only in some cases will procurement handle the management.”

~ Sourcing Director,
Mid-Market Utilities Enterprise

Source: Aberdeen Group, February 2008

Management of meetings and events spend lacks standardization; 44% of enterprises have meetings management responsibilities shared and distributed across various internal functions, such as finance, administration, product, sales, travel, and marketing. Worse yet, 26% of enterprises do not have a formal organization to manage strategic meetings. On the whole, enterprises lack best practices for managing meetings and events. Figure 3 demonstrates the management fragmentation for meetings and events.

Figure 3: Meetings and Events Management - Who's in Charge?



Source: Aberdeen Group, February 2008

Despite the obvious opportunity to maximize organizational resources and economies of scale, spending on large-scale corporate meetings and events has eluded centralized strategic management. Typically, enterprises will allow departments to make their own arrangements on an ad-hoc basis, or allow multiple business units to share the responsibilities of sourcing, managing, and administering the various activities associated with a large-scale corporate meeting or event, such as site selection, room reservations, flight reservations, attendee registration, meeting planning, and execution. A decentralized structure, in combination with the unknown meetings and event management skill level of the any of the different parties involved, sets the stage for ineffective management and the potential for spending to spiral out of control as the needs and requests of each group are addressed.

“Across the board, across the country, there are meetings and events taking place in which we are not involved in scheduling or managing. It’s a very decentralized process for our organization.”

~ CPO, Large Manufacturer

Without a central, professional meetings and event management group or individual to administer a strategic meetings management program and manage the multi-million dollars of spend in this category, there is diminished hope for establishing control and achieving savings and efficiencies. The fragmented oversight of strategic meetings management displayed in Figure 3 should be avoided at all costs. Instead, the expertise of these different groups should be leveraged as a best practice to improve program performance.

The Benefits of Procurement Involvement

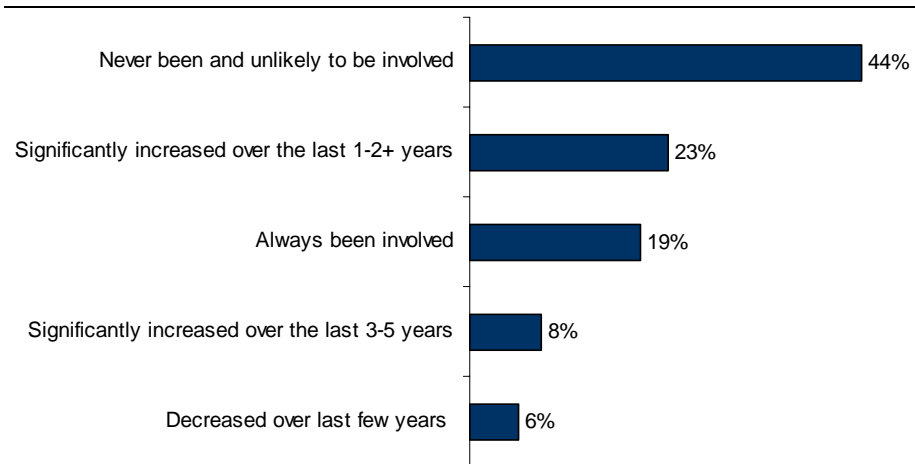
As it relates to cost savings and policy compliance, the typical procurement group brings a wide range of skill-sets and competencies to the table. However, it would be a mistake to believe that the role of procurement should be one of complete control and oversight for the meetings and event management category. Instead, procurement should be recognized as a resource that can be used by those groups that currently manage strategic meetings.

In advance of any specific category management activities, the procurement team can lend their expertise and proficiency in spend analysis. They will be able to work with and even teach others how to identify opportunities for aggregating spend volume, identify and then capture off-contract spend, and determine opportunities for savings on meetings and event management spend. These procurement professionals are also well versed in engaging a diverse set of stakeholders and consolidating broad requirements and unique requests into a defined bid opportunity that has the consensus of the internal constituency and clearly presents the enterprise needs to prospective providers / suppliers. Procurement can also provide insight into the different methods of sourcing the various aspects of strategic meetings (travel, accommodations, meals, technology requests, etc.) and help drive a sourcing event that will deliver economic value in a controlled and efficient manner. The vast experience in negotiation of pricing and SLAs and other contract terms can also prove an invaluable asset to these non-procurement category managers. Finally, procurement professionals can share their talents for monitoring contract and process compliance to help improve the management of the meetings and events category. The end-game is a significantly heightened level of visibility into this category and a greater ability to effectively manage it.

Procurement: Outside of the 'Cycle'

Although procurement typically possesses the tools necessary to resolve maverick spend, over 40% of enterprises do not involve procurement in the management of meetings and events (Figure 4).

Figure 4: Procurement's Involvement in Meetings Management



Source: Aberdeen Group, February 2008

“Many administrators across the country will source meetings activity on their own; they’ll sign contracts, make agreements, and negotiate deals without checking in with [the procurement department].”

~ Procurement Director, Large North American Enterprise

While there is no procurement involvement in strategic meetings management for 44% of enterprises, over half (56%) do involve this group. This indicates that those managing strategic meetings and events see value in leveraging procurement as a resource and that procurement’s skills can also help them improve performance.

The Maturity Class Framework

Aberdeen used one key performance criteria to distinguish the Best-in-Class from Industry Average and Laggard organizations: compliance to corporate policies for meetings and events. Table 2 summarizes the average performance of enterprises within the different maturity classes for this study.

Table 2: Top Performers Earn Best-in-Class Status

Definition of Maturity Class	Mean Class Performance
Best-in-Class: Top 20% of aggregate performance scorers	<ul style="list-style-type: none"> 89% compliance to corporate policies for meetings and events
Industry Average: Middle 50% of aggregate performance scorers	<ul style="list-style-type: none"> 64% compliance to corporate policies for meetings and events
Laggard: Bottom 30% of aggregate performance scorers	<ul style="list-style-type: none"> 18% compliance to corporate policies for meetings and events

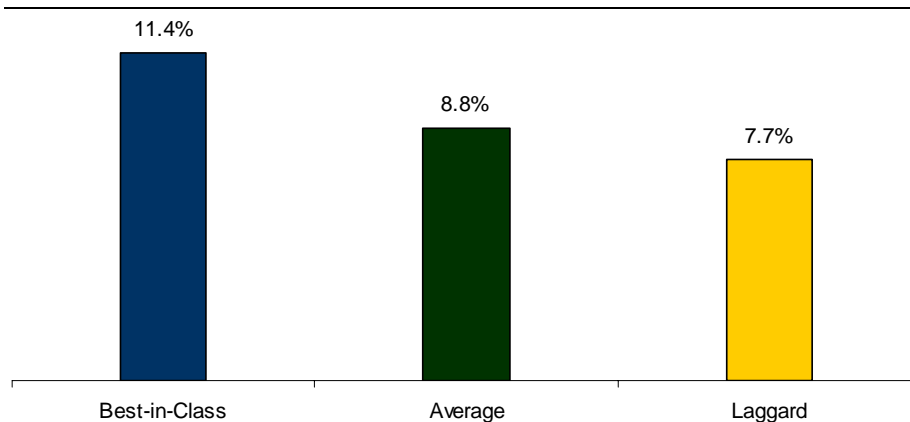
Source: Aberdeen Group, February 2008

Compliance: The Cornerstone of Meetings Management

Best-in-Class enterprises demonstrate that compliance is the cornerstone of meetings management program performance. It is a testament to the effectiveness of both the professional and non-professional meetings and event planners that are charged with ensuring that strategic meetings are successfully administered.

As a result of their tireless efforts to manage the complex event lifecycle, those Best-in-Class performers also realize incremental savings advantages (Figure 5).

Figure 5: Meetings Management Program Savings



Source: Aberdeen Group, February 2008

Although the reduction of spend is the tangible result that executives seek, it is compliance to corporate policies that enable savings to be generated and sustained for meetings management efforts. While there is a definite focus on sourcing the highest-value suppliers / vendors to support the meeting requirements, it should not be forgotten that while many of these strategic meetings have a component of cost control as a goal, events such as large user conferences may emphasize quality over savings as stronger customer relationships are often developed through high-quality and memorable meetings.

The Best-in-Class PACE Model

Aberdeen has shown that there is a clear relationship between the pressures companies identify and the actions they take, and their subsequent competitive performance.

Effective meetings management requires a combination of strategic actions, organizational capabilities, and enabling technologies that drive superior performance and operational efficiencies (Table 3).

Table 3: The Best-in-Class PACE Framework

Pressures	Actions	Capabilities	Enablers
<ul style="list-style-type: none"> Reduce corporate spend on meetings 	<ul style="list-style-type: none"> Leverage the buying power of the organization by aggregating spend of normal business travel with meetings spend Utilize a formal sourcing process for meetings program Measure and track compliance to corporate meetings policies 	<ul style="list-style-type: none"> Standardized approval procedure Executive sponsors for meetings management program Standardized contract terms and conditions Formal meetings management policies Consolidated meetings procurement, management and planning with centralized team 	<ul style="list-style-type: none"> Corporate meetings calendar Approval workflows for MICE requests Attendee registration management tool (booking, unique room/equipment requirements, other special needs) Electronic payment submission and processing payment tools Budget planning and scenario analysis tools

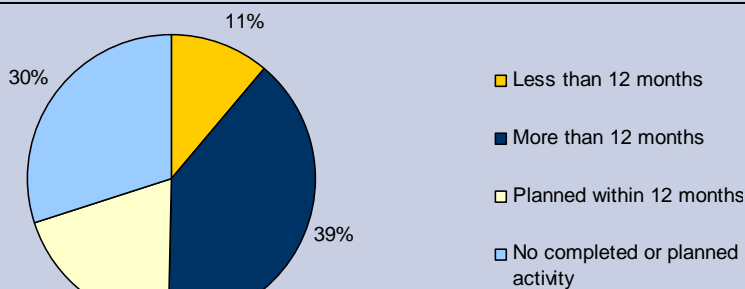
Source: Aberdeen Group, February 2008

As we will see in Chapter Two, Best-in-Class enterprises have achieved a superior level of compliance and subsequent savings by establishing key organizational structures and processes, and by leveraging technology. Best-in-Class enterprises develop a culture that embraces, supports, and adheres to the policies designed to improve meetings and events program performance.

**Aberdeen Insights —
Strategic Meetings Management Growth and Maturity**

Much like other complex categories, many enterprises view spending on meetings and events to be too massive or too dispersed to control under a centralized organizational structure. These enterprises ignore the expressed or implied responsibilities to review spend on corporate meetings because they fear raising politically-sensitive questions and challenging whether a meeting request is essential. Enterprises admittedly let spend on corporate meetings run rampant instead of focusing on strategic and / or centralized management processes and technologies to reign in unnecessary expenses; 50% currently do not have a strategic meetings management program (Figure 6).

Figure 6: Strategic Meetings Management Program Maturity



Source: Aberdeen Group, February 2008

continued

**Aberdeen Insights —
Strategic Meetings Management Growth and Maturity**

However, the tide continues to turn as 70% of enterprises will have a formal meetings management program in place in the next 12 months when those with immediate implementation plans are included. Once put in place, then it becomes a matter of how these organizations, along with those that have already initiated a program, are actually managing their programs and the significant associated spend.

Chapter Two: Benchmarking Requirements for Success

While cost concerns pressure executives to focus resources on meetings and events management, maintaining lower levels of spending is facilitated first by the development of strong policies aimed at improving compliance to the rules of engagement for strategic meetings. The sourcing and negotiating of the different aspects of the meetings and events category (i.e. travel, accommodations, meals, meeting spaces, A/V and other technology requests) is for naught without established programs, clear visibility into policy compliance, and the ability to measure program management performance. Enterprises can successfully manage the meetings and events category by establishing key organizational capabilities, structures, and policies as part of a formal meetings management program, then leverage the proper tools and technologies to measure and manage compliance against corporate policies.

Fast Facts

- √ Best-in-Class enterprises place 41% of their meetings / events spend through formal sourcing processes
- √ Nearly half of top-performing organizations leverage their buying power for travel, lodging, and air spend in relation to meetings spend

Case Study — Large Financial Services Enterprise

A large North American financial services organization found themselves with disorganized and decentralized meetings management. “We see a lot of conflicts after the fact,” said the Vice President of Procurement and Sourcing. “There’s a lack of procurement involvement in the sourcing and planning of meetings.”

The procurement department, with the guidance of their VP, started to manage their meetings budget at a critical junction: the payment process. They implemented a meetings and events card to help alleviate non-compliance and streamline the payment process. Over the past year, they were able to achieve **13% cost savings** on their total meetings and events spend.

“Employees are very much welcoming that change [in the process],” the VP of Procurement said, adding that an enterprise method of publishing the names of meetings and events policy violators has helped to reduce the number of offenders. “We are not afraid to name names and we publish the names of those who don’t comply with our policies quarterly in our newsletter.”

Competitive Assessment

Aberdeen Group analyzed the aggregated metrics of surveyed companies to determine whether their performance ranked as Best-in-Class, Industry Average, or Laggard. In addition to having common performance levels, each class also shared characteristics in five key categories: (1) **process** (the approaches they take to execute their daily operations); (2) **organization** (corporate focus and collaboration among stakeholders); (3) **knowledge management** (contextualizing data and exposing it to key stakeholders); (4) **technology** (the selection of appropriate tools and effective

deployment of those tools); and (5) **performance management** (the ability of the organization to measure their results to improve their business). These characteristics (identified in Table 4) serve as a guideline for best practices, and correlate directly with Best-in-Class performance across the key metrics.

Table 4: The Competitive Framework

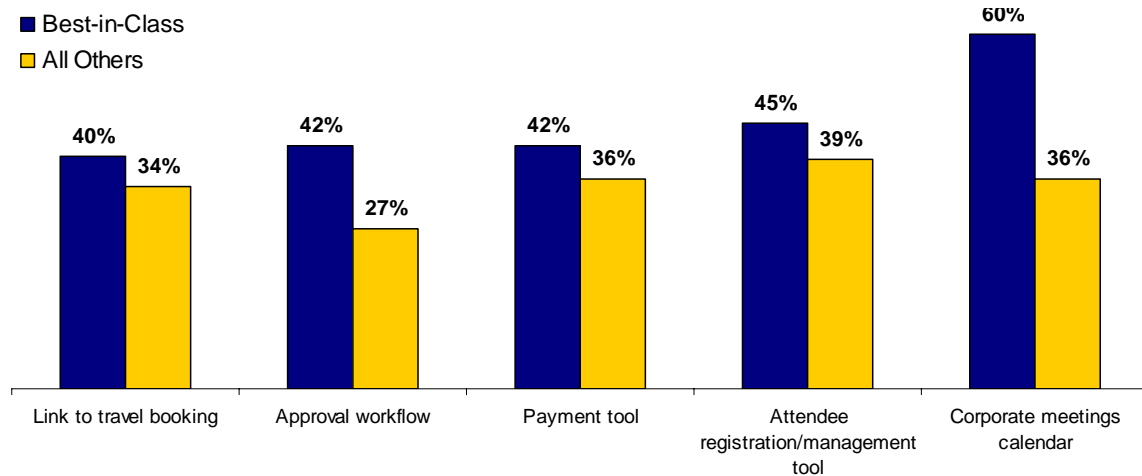
	Best-in-Class	Average	Laggards
Process	Standardized hierarchy established for approval of strategic meetings		
	74%	67%	37%
	Formal policies for strategic meetings management program		
	49%	38%	28%
Organization	Executive sponsorship of meetings management program		
	53%	24%	16%
Knowledge Management	Centralized meetings management group / function		
	49%	31%	16%
	Communication and enforcement of corporate policies for meetings management		
	83%	65%	45%
Technology	Key functionalities of meetings management tools:		
	▪ 60% corporate meetings calendar	▪ 41% corporate meetings calendar	▪ 30% corporate meetings calendar
	▪ 42% electronic workflow for approval of requests	▪ 31% electronic workflow for approval of requests	▪ 23% electronic workflow for approval of requests
	▪ 42% electronic payment submission and processing	▪ 36% electronic payment submission and processing	▪ 35% electronic payment submission and processing
	▪ 40% budget planning and analysis	▪ 30% budget planning and analysis	▪ 22% budget planning and analysis
	▪ 30% online sourcing of meetings	▪ 22% online sourcing of meetings	▪ 21% online sourcing of meetings
	Meetings / events performance-tracking; track compliance to corporate meetings policies		
	34%	22%	12%

Source: Aberdeen Group, February 2008

Running the Cycle: Technology Utilization

Effective meetings management goes hand in hand with technology utilization. Best-in-Class enterprises are taking advantage of many aspects of meetings management technology, as detailed in Figure 7.

Figure 7: Meetings Management Technology Utilization



Source: Aberdeen Group, February 2008

The majority (60%) of Best-in-Class enterprises are currently using a **corporate meetings calendar**, a tool that allows them to strategically plan and map out future meetings, track costs for these events, as well as help outline corporate mandates for those functions.

Once the location and logistics are finalized, companies must then address one of the more significant aspects of the event lifecycle: attendee registration. This tool assists in streamlining the event process and can include a custom web page for event registration, as well as the ability to manage multiple attendee types. The attendee registration solution also provides management for hotel / lodging booking and the capability to undertake some of the more administrative tasks such as printing registration badges.

Also important to the event lifecycle is approval and payment. By utilizing a dedicated meetings / events card or leveraging other corporate and purchasing card programs already in place, enterprises can alleviate compliance nuisances and avoid overpaying for meetings and events needs, such as travel, air and lodging. Approval workflow (used by 42% of top-performing enterprises) ensures that the proper meetings are green-lit in an effort to cut down on unnecessary events spend.

“Our current technology solution gives us the flexibility we need to manage all aspects of meetings and events management.”

~ VP of Procurement, Large Enterprise

“People within the company have said, ‘don’t go to them [procurement]’ because of our reputation. We’ve been set up to fail.”

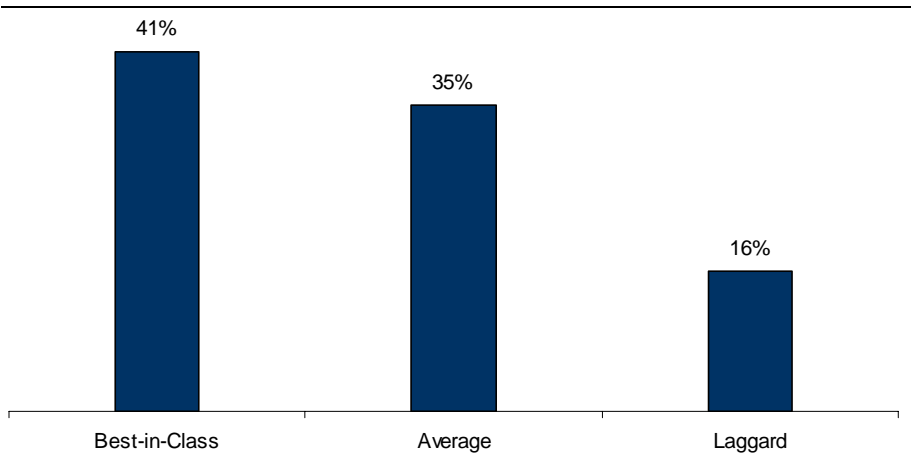
~ CPO, Large Technology Enterprise

Influencing the Best-in-Class: Foundations in Procurement

As evidenced in Chapter One, over 40% of enterprises are not involving procurement in the management of meetings and events. However, top performing enterprises have managed to incorporate practices with a

foundation in procurement and even leverage procurement directly to help drive their superior performance. Specifically, the Best-in-Class currently expose more of their spend to a formal sourcing process than Industry Average and Laggard companies (Figure 8).

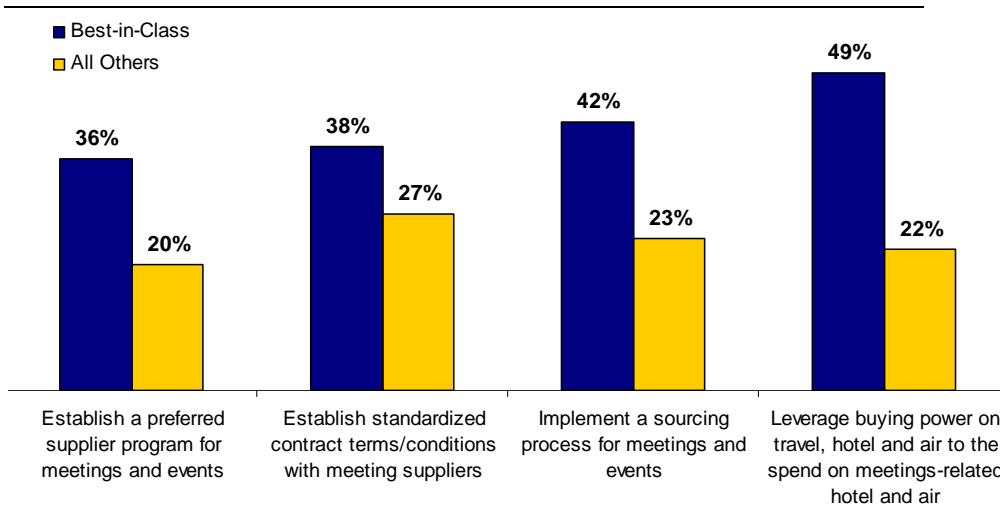
Figure 8: Meetings Spend Currently Sourced Through a Formal Process



Source: Aberdeen Group, February 2008

Engaging in formal sourcing events for the different components of the event lifecycle has certainly helped distinguish the Best-in-Class from their competitors, as they show a 30% to 48% higher incremental savings on their strategic meetings spend. Not only do top-performing enterprises formally source more of their meetings and events spend, they have also more readily embraced programs and techniques to manage this category that are common practices used by procurement (Figure 9).

Figure 9: Implementation of Formal Sourcing Strategies



Source: Aberdeen Group, February 2008

Several of the practices utilized by procurement have been successfully applied for management of strategic meetings spend. Sourcing events, preferred supplier programs and aggregating spend volume to leverage buying power are common procurement exercises and have been well leveraged by non-procurement professionals (i.e. meetings and event management individuals and groups) to drive compliance, savings, and allow the Best-in-Class to distinguish themselves from their competitors.

“The main issue for us is hotel rates versus the quality of the meeting location; although better rates might help us achieve cost savings, we’re more concerned with providing our enterprises with a quality meeting in the right location.”

~ Procurement Director, Mid-Market North American Firm

Aberdeen Insights — Balancing Perspectives

There is no single prescription for the administration of a strategic meetings management program. As implied by the moniker MICE, each meeting addresses a different strategic need and focus for the enterprise. In consideration of this, the strategies and criteria for successful management of each different event vary. Because the goals of the meetings and events differ, so do their organization, administration and execution. While it is appropriate to manage one type of strategic meeting (such as general business meetings, training events, and management / executive meetings) with a keen eye on costs and budgets, there are other meetings and events (such as conferences and client meetings) where costs are inherently higher due to volumes and logistical needs. In these cases, though, the focus is on value and the costs are maintained within the standards for quality of these meetings and events. Measuring success and how to calculate an “ROI” should be different for each meeting, depending on its goals.

Chapter Three: Required Actions

Enterprises must evaluate their current meetings management strategies and encourage transformation to match the performance of Best-in-Class organizations. The following actions will help spur the necessary performance improvements:

Laggard Steps to Success

- **Secure an executive sponsor for a meetings and events management program.** The first step in overhauling a meetings management program is securing an executive sponsor, which only 16% of Laggard enterprises have done (as compared to 53% of Best-in-Class organizations). Such support sets the stage for a successful meetings management program; executive support ensures that all aspects of the program will be aligned with the enterprise's needs and the top-down leadership facilitates change management and adoption of new practices.
- **Develop a proper meetings and events approval procedure.** Laggard organizations are noticeably deficient in establishing compliance to corporate policies for strategic meetings, with rates at 18% that are nearly five-times lower than the Best-in-Class. Part of the issue is the lack of an approval process, which only 37% of Laggard enterprises currently have in place. Ensure that requests for meeting and events pass through a rigorous review process before dedicating budget. This encourages compliance and establishes that spend guidelines are communicated clearly, leading to more conscientious and budget-friendly decisions.
- **Develop and track meetings and events policies.** Although 45% of Laggard enterprises are currently enforcing policies around meetings and events, it is simply not enough to deter non-compliance. Eighty-five percent (85%) of Best-in-Class enterprises currently enforce their policies and have a high level of compliance to show for it.

Industry Average Steps to Success

- **Implement a comprehensive corporate meetings calendar.** Visibility is crucial for meetings and events management. Only 41% of Industry Average enterprises have a corporate meetings calendar in place, a solution that can help them increase visibility into category spend and avoid overlap between events. Tracking costs for future meetings is a key for increasing compliance.
- **Implement a formal sourcing process for meetings and events.** The theme for management of category spend in 2008 is collaboration; leveraging procurement or procurement-based

Fast Facts

- √ 53% of Best-in-Class enterprises have secured an executive sponsor for a meetings and events management program
- √ 85% of Best-in-Class enterprises currently enforce their policies and have the high level of compliance to show for it (89% compliance rate)

“We’re currently only hovering around the 55% compliance rate for meetings and events; there’s no corporate mandate in place, only a policy in which most staff members don’t comply.”

~ Procurement Manager, Large Insurance Enterprise

processes for meetings management allows enterprises to utilize effective sourcing and spend management strategies. Only 25% of Industry Average enterprises engage procurement on any level, compared to 42% of top-performing organizations. Additionally, the Best-in-Class engage in sourcing events for 17% more of their spend than the Industry Average, supporting their incremental advantage in strategic meetings management program savings.

- **Leverage buying power for both business and transient travel and hotel spend.** Meetings and event spend does not have to be managed as an entirely different pool of money; all of the same hotel and transportation (flight, rail, rental car) companies are likely used by both everyday business travelers and those traveling to a strategic meeting. Aggregating this spend and then leveraging procurement and / or their related practices to more effectively negotiate meetings and events spend at these larger volumes will encourage better discounts and higher quality events. Industry Average organizations need to kick-start this aspect of their meetings management program; an inadequate 27% leverage their buying power, compared to 49% of the Best-in-Class.

Best-in-Class Steps to Success

- **Build a preferred supplier program for meetings and events.** Although Best-in-Class organizations are achieving a high compliance rate (89%), there are still some gaps that can be filled to reach the highest levels of performance. Building a preferred supplier program for meetings / events that can be leveraged by all internal business units provides even greater incentive for policies to be followed, thus resulting in greater savings opportunities and the attainment of near perfect compliance. Although Best-in-Class outpace their peers in utilizing a preferred supplier program, only 35% currently have such a program in place.

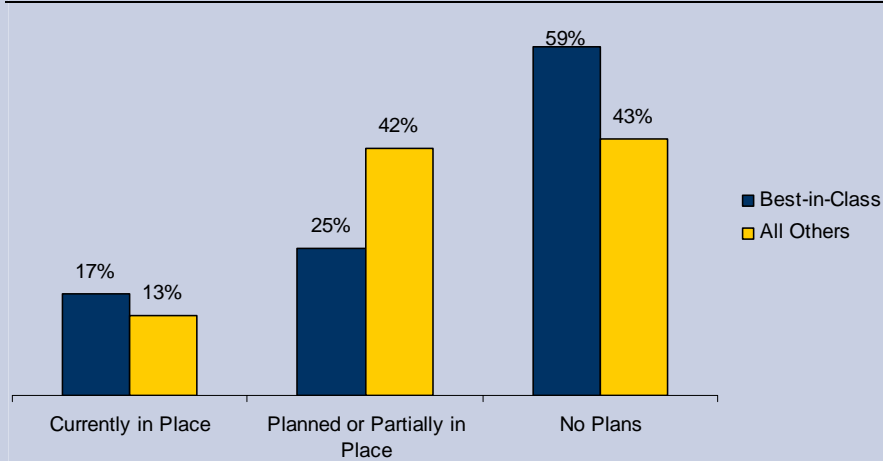
Aberdeen Insights — Do You Have to Do It All Yourself?

Establishing an internal group to centrally manage strategic meetings and events has proven to be a successful strategy. Cost savings, process standardization and improved visibility have all resulted. However, it does not mean that there aren't options outside of the organization to effectively manage this category of spend. While outsourcing management of meetings and events is not the leading strategy, it is more prevalent in Best-in-Class enterprises than in their competitors (Figure 10).

continued

Aberdeen Insights — Do You Have to Do It All Yourself?

Figure 10: Outsourcing of Meetings and Event Management



Source: Aberdeen Group, February 2008

Although currently a contributor to Best-in-Class performance, the long-term influence of and commitment to outsourcing seems to be limited. These top performing enterprises are more hesitant to continue on the outsourcing track than their competitors moving forward. The degree to which outsourcing emerges as a leading strategy will be determined by whether the Industry Average and Laggards can close the performance gap with the Best-in-Class in the upcoming years.



Appendix A: Research Methodology

Between January and February 2008, Aberdeen examined the use, the experiences, and the intentions of more than 300 enterprises in regards to their meetings and events management.

Aberdeen supplemented this online survey effort with interviews with select survey respondents, gathering additional information on meetings management strategies, experiences, and results.

Responding enterprises included the following:

- *Job title:* The research sample included respondents with the following job functions: procurement, supply chain, or logistics (32%); sales and marketing (15%); finance (10%); and others.
- *Job function:* Thirty percent (30%) of respondents were managers; director (24%); C-level (15%); Vice President (10%); Chief Procurement Officer (4%); and others.
- *Industry:* The research sample included respondents from: finance (15%); high tech / software (11%); manufacturing (10%); and 28 other industries.
- *Geography:* The majority of respondents (71%) were from North America. Remaining respondents were from Europe (18%), the Asia-Pacific region (6%), Middle East / Africa (4%) and the South / Central America and Caribbean region (1%).
- *Company size:* Fifty-two percent (52%) of respondents were from large enterprises (annual revenues above US \$1 billion); 25% were from midsize enterprises (annual revenues between \$50 million and \$1 billion); and 23% of respondents were from small businesses (annual revenues of \$50 million or less).

Solution providers recognized as sponsors were solicited after the fact and had no substantive influence on the direction of this report. Their sponsorship has made it possible for Aberdeen Group to make these findings available to readers at no charge.

Study Focus

Responding executives completed an online survey that included questions designed to determine the following:

- √ The degree to which strategic meetings management programs are deployed in their operations and the financial implications of the technology
- √ The structure and effectiveness of existing meetings/events management implementations
- √ Current and planned use of meetings/events management technology to streamline current strategies

The study aimed to identify emerging best practices for meetings and events management, and to provide a framework by which readers could assess their own management capabilities.

Table 5: The PACE Framework Key

Overview
<p>Aberdeen applies a methodology to benchmark research that evaluates the business pressures, actions, capabilities, and enablers (PACE) that indicate corporate behavior in specific business processes. These terms are defined as follows:</p> <p>Pressures — external forces that impact an organization’s market position, competitiveness, or business operations (e.g., economic, political and regulatory, technology, changing customer preferences, competitive)</p> <p>Actions — the strategic approaches that an organization takes in response to industry pressures (e.g., align the corporate business model to leverage industry opportunities, such as product / service strategy, target markets, financial strategy, go-to-market, and sales strategy)</p> <p>Capabilities — the business process competencies required to execute corporate strategy (e.g., skilled people, brand, market positioning, viable products / services, ecosystem partners, financing)</p> <p>Enablers — the key functionality of technology solutions required to support the organization’s enabling business practices (e.g., development platform, applications, network connectivity, user interface, training and support, partner interfaces, data cleansing, and management)</p>

Source: Aberdeen Group, February 2008

Table 6: The Competitive Framework Key

Overview	
<p>The Aberdeen Competitive Framework defines enterprises as falling into one of the following three levels of practices and performance:</p> <p>Best-in-Class (20%) — Practices that are the best currently being employed and are significantly superior to the Industry Average, and result in the top industry performance.</p> <p>Industry Average (50%) — Practices that represent the average or norm, and result in average industry performance.</p> <p>Laggards (30%) — Practices that are significantly behind the average of the industry, and result in below average performance.</p>	<p>In the following categories:</p> <p>Process — What is the scope of process standardization? What is the efficiency and effectiveness of this process?</p> <p>Organization — How is your company currently organized to manage and optimize this particular process?</p> <p>Knowledge — What visibility do you have into key data and intelligence required to manage this process?</p> <p>Technology — What level of automation have you used to support this process? How is this automation integrated and aligned?</p> <p>Performance — What do you measure? How frequently? What’s your actual performance?</p>

Source: Aberdeen Group, February 2008

Table 7: The Relationship Between PACE and the Competitive Framework

PACE and the Competitive Framework – How They Interact
<p>Aberdeen research indicates that companies that identify the most influential pressures and take the most transformational and effective actions are most likely to achieve superior performance. The level of competitive performance that a company achieves is strongly determined by the PACE choices that they make and how well they execute those decisions.</p>

Source: Aberdeen Group, February 2008

Appendix B: Related Aberdeen Research

Related Aberdeen research that forms a companion or reference to this report includes:

- [Travel and Procurement: The Convergence](#) (October 2007)
- [T&E Technologies and Services](#) (May 2007)
- [Expense Management Automation](#) (February 2007)
- [The CFO's View of Procurement](#) (November 2007)
- [The CPO's Strategic Agenda: Managing Performance, Reporting to the CFO](#) (February 2007)

Information on these and any other Aberdeen publications can be found at www.Aberdeen.com.

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