

Conferon Global Services President Bruce Harris has spent his career challenging prevailing wisdom. Nominated last year to the Convention Industry Council's Hall of Leaders and named eight times to Meeting News magazine's list of its 25 most influential people, Harris is credited with helping turn meeting planning into a profession.

He first riled hotels back in 1978 by suggesting that associations take control of the flow (and expense) of liquor at their own meetings, and since then has moved on to a host of other industry issues, including attrition.

TRADESHOW WEEK'S
GLOBAL LEADERS

A big turning point came when he sold his majority interest in Conferon to private-equity firm the Riverside Co. – a move that allowed for a string of acquisitions over the last four years. Then he surprised many with the recent hiring of former Coca-Cola executive Ed Shartar as CEO.

That freed Harris from the day-to-day concerns of a company with 650 employees and nine offices that bundles

registration, housing and lead retrieval services. He sat down recently with Tradeshow Week Associate Editor Margo McCall to talk about what's in store next – for both him and Conferon Global Services.

Meeting the Need

Bruce Harris has parlayed a \$3,000 investment into a one-stop shop for meeting planners



Question: When you started Conferon 34 years ago with a \$3,000 loan from your parents, did you intend to turn it into an enterprise of the size and scope it is today?

Answer: A lot of things that occurred were providential in a sense. One of which was that we were in an industry that had very low sophistication. Whatever the hotels wanted to do, that was fine. A hotel contract for all intents and purposes was a letter from the hotel saying, "Yeah, we've got the space." I challenged everything the hotels did as standard. What I found was they were really set to the convenience of the hotel. They were not set to the convenience of the planners.

Q: How did the hotels like that?

A: It was hard to argue with, because all I was looking for was fairness – don't deceive anybody, be truthful in every way.

Q: What's been driving the recent string of acquisitions?

A: Right now, the whole industry is buying reg', and they're buying lead retrieval. We want to create a situation where we can work with an association as a partner, be very forward-looking, very consultative, instead of just being a provider of a single service. We want to bundle our products and services, and then have all that technology talk to one another.

Q: Has it been difficult to integrate the companies?

A: There are integration issues dealing with processes, standards and policies, and then there are those dealing with your core values. Hopefully, you get it right on the core values side. All those other things are going to cause some strife because you're doing things differently. But if people believe they are working for someone they trust and who cares about them as individuals, they can put up with the fact that policies are different.

Q: Was the acquisition of ExpoExchange more difficult than the others, since the company is larger than Conferon?

A: We were a smaller company, purchasing a company twice our size. We were a company that was older and we were in a marketplace that was parallel, but we rarely overlapped. It was a great fit because they did large tradeshow, and our largest was maybe 25,000 attendees.

Q: How has your role changed since the merger with ExpoExchange?

A: In one sense, you feel like the vice president of the United States. It is different not being able to make all the final decisions. After we did the first three acquisitions, we looked at some very large companies that we backed away from and didn't put final bids on. At that time I'd indicated that, if we got something very large, I did not want to be CEO.

Q: What would you rather do?

A: Let me focus on the industry where I'm most comfortable; focus on the culture of the company, which is really important to me; work on strategically looking at where we go.

Our company has been very fortunate to be at the front end of change. That's a lot more fun than looking at spreadsheets. Bankers are very nice people, don't get me wrong, but dealing with all the banks and 401(k)s and all the elements ... I made up my mind that I didn't want to do that.

Q: Do you see a day when you'll retire?

A: I'm pretty much committed to being here three more years. We've been a little more than a year without a CEO. It's been a little frustrating because we wanted to get a strategic plan going. We put a lot of things off in waiting for the CEO to happen.

I've been here 34 years. I consider it a blessing. If you really care about your company, whenever you lose a key employee it really kills you. The same if you lose a key account. There have been plenty of times I've felt this isn't worth it, that I can't stand the pain. Now we have customers I haven't met before.

Q: How have you kept the upper management team intact through all the mergers?

A: I've been with Dave Lutz 20 years. Michael Guerriero, our CFO, 15 years; Teri Tonioli, 19; Mike Burns, 22; Mike Deegan, 22. They are people who I know and care about as if they are my family, who I would do anything for, who when they open up their mouths I know they're going to say something that has thought behind it, that has experience behind it. It would be a lot harder if you're ExpoExchange, and the people coming in are brand new to you and all of a sudden they have different thoughts.

Q: What changes do you think Ed Shartar will make?

A: There are a lot of locations and people. We wanted somebody who can deal with the financials and deal with strategy, somebody who was used to running a big business. We have 650 employees and seven Conferon offices and two additional divisional offices.

We're industry leaders in three distinct areas. We want to continue with that. But are there other areas where we want to be industry leaders? He can do some heavy lifting and make sure we get the resources that we need.

Q: Have concerns over attrition been resolved?

A: Here's the reality on attrition: The Internet changed the world, but the vast majority of associations did things the exact same way they always had and did not deal with the change.

The deal is we get meeting space and convention space in exchange for guest rooms. That's the bargain we've had forever. Associations have always been able to provide their part of the bargain because people felt there's my source of rooms. But if people can go online, there are other distribution sources for rooms.

Members are going to have to stay in a group hotel, because the hotel is not going to give us space without guest rooms.

Q: What's going to happen next?

A: The issue of attrition is going to get worse. We're in a temporary stage when it's better. Two things have happened. One, people have reduced their blocks drastically. There are groups out there that have less than 50 percent of the rooms they need blocked next year. Everyone who got so aggressive in dropping blocks, they're going to get close and they're going to have members out at the airport.

The members are going to say, "How come you didn't protect rooms?" Then they're going to lose attendance and their revenue stream. All of a sudden, the pressure is going to be on blocks again.

Q: So what's the answer?

A: There is success story after success story of people who use real incentives, not just a drawing or something, that are getting a minimum of 90 percent of not just the block, but 90 percent of people using the guest rooms. We've got organizations that took brave stances and thought they were going to have a lot of pushback from their members. Their members followed along and stayed within their block. How long is it going to take people to realize they've got to change?

Q: With all the casino mergers, do you see the way you do business in Las Vegas changing?

A: There's the hospitality industry, and then there's Las Vegas. They are two different worlds. There are so many cycles that Las Vegas has gone through where they didn't care about meetings at all, and then all of a sudden they got interested in meetings.

The challenge we have is they are difficult to work with if you're a meeting planner. You have high risk, and if you don't pick up your block you're going to pay attrition.

Q: Is that because they can fill the rooms anyway?

A: They have wonderful people, tremendous properties, a great destination for meetings. It's just not

as easy to do work there. They don't want to give you weekends. And getting credit for rooms that came in through other channels in Las Vegas? Conferon has negotiated contracts, but we do 4.1 million room-nights a year. If we didn't have that volume, we wouldn't have those contracts.

Q: Aren't hotels, in general, reluctant to turn over room lists?

A: Funny story. They say it's for privacy reasons. They won't let me, an identified person who signs a nondisclosure form, come in and check their list against my list. But you can go to a public phone, call the operator and ask if Bill Jones is there. You could be Al Qaeda. You could be calling from prison.

Q: How then can meeting planners protect themselves from having to pay attrition penalties?

A: Anyone who knows anything about meeting planning should have the right wording in their contract and everyone should have access to that information. The issue then is not seeing it anymore, the issue is whether they're going to give you credit. Some people might consider this to be an ethical issue. If my people are there and I've met my block, how could you charge me attrition? We go back to the word fairness. **TSW**

Bruce Harris

Title: **President, Conferon Global Services**

Accomplishments: **Founded Conferon in 1970; sold stake to the Riverside Co. in 1999, which funded the acquisition of Cramer Event Management in 2000, meetings.com owner Bellwether Group in 2002, and Jackson Marketing Group in early 2003. In May of that year, Conferon combined with ExpoExchange to become Conferon Global Services.**

Business philosophy: **"I like to tell people: We don't make tables or chairs. Our product is service. That's what brings our customers back, and that's what makes suppliers want to keep working with us."**