

WHITE PAPER



The Evolution of
Strategic Meetings Management
in Small to Medium Businesses

bondurant

consulting

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Executive Summary

Strategic Meetings Management (SMM) is the discipline of controlling and leveraging meeting and event spend on an enterprise-wide basis resulting in increased visibility, reduced cost, diminished risk and improved efficiencies. Every company has widely accepted spend practices in place for most categories of spend, usually driven by a procurement function, but relatively few track meetings spend. The main goals are to leverage spend and reduce cost, avoid risk, aggregate data, and utilize standard formats for Request for Proposals (RFPs), contract terms and reporting. Many large companies (annual revenue of greater than \$1 billion) have developed SMM programs, which align nicely with procurement objectives. The current evolution of Strategic Meetings Management is in the space of Small to Medium Enterprise (SME) sized companies, which is the topic of this white paper. Mid-sized companies are defined as having annual revenues \$50 million to \$1 billion and small companies are less than \$50 million.

Why care? A 2010 [Economic Significance of Meetings to the U.S. Economy](#) study commissioned by the Convention Industry Council (CIC) and conducted by PriceWaterhouseCoopers illustrated that in 2009, meetings represented a \$263.4 billion industry. Just over half or \$132,127 billion was directly attributable to corporate and business meetings. There is a lot of money spent by organizations in this highly unmanaged, unleveraged, decentralized category. In this era of intense scrutiny of corporate meetings by stakeholders, it is long overdue to get oversight, control and systems in place to realize reduced meeting spend in small and medium size organizations.

The Evolution of Strategic Meetings Management

Mid-1990s: The idea of consolidating meeting spend in large companies comes into being essentially following the lead of travel departments who begin to consolidate, control and report on their travel spend and subsequent savings in the 1980s. Large pharmaceutical, financial and insurance companies are on the leading edge of this movement.

1998-2002: Emergence of technology companies helps enable the sourcing process, collection of data and reporting. Many of these tech companies are from outside the industry, and most have fallen by the wayside. There continues to be a solid core of technology providers for SMM programs.

2004: The discipline of SMM is introduced by the Global Business Travel Association (GBTA), then NBTA. At this time there is broader adoption of SMM in a spectrum of industries, more structure around the process of Strategic Meetings Management, and travel managers become involved in the meetings management function.

2005: The influence of the procurement function continues to increase in the category of meeting and event spend. At the time, many think this is a fad that will soon pass. Procurement's involvement in SMM becomes business as usual for many companies.

2008: SMM begins to proliferate into medium size organizations in many industries from large corporations in a limited number of vertical markets, in part to facilitate Sarbanes-Oxley reporting.

2011 and beyond: An elevated degree of interest from small to medium size companies as well as from the association marketplace is the continued trend. Heightened focus on transparency, reporting, meeting outcomes and return on investment is in the mix.

Barriers to SMM Deployment are Reduced in Small to Medium Size Companies

There are universal issues with companies who are beginning to undertake a Strategic Meetings Management program, such as where to start, who will design the program, how data will be collected, and how to get buy-in and compliance. For many small and medium companies, the initial strategy can be as simple as centralizing the meeting and event sourcing and contracting process as soon as possible. Hotels represent the largest portion of meeting and event expenditures (45%) for sleeping and meeting rooms, which is why gaining visibility and control of hotel spend is a fundamental first step for many SMM programs.

The data from this centralized process will provide additional intelligence on who is planning within the organization, how many meetings are being planned overall, which hotels are getting the business, and how much the company is spending on hotel contracts as well as how much has been saved through professional contract negotiations.

Getting the data sounds easy, but in fact it can be very painful, especially if it is done via time consuming and inaccurate manual data entry. Manual data entry can take an undue amount of effort to input on a consistent basis and to maintain in the long run. So while many SMM programs begin with collecting information and populating excel spread sheets, the best way to ensure consistent error-free information and ensure that the data will actually be collected, is to introduce a business technology tool that will support the SMM. The ideal situation is to have a solution in place initially, so that the company has uniform data to compare and trend from the onset of the program.

Alternatively, the initial strategy for many large companies is to get executive buy-in through a lengthy and cumbersome process for gathering meetings spend data in support of an SMMP business case. While developing a detailed business plan can be essential in large companies because of the significant financial commitment and behavior change requirements, smaller organizations can benefit from presenting a brief SMM hypothesis in order to jump start their program. Such as in the “Cost of Inaction” example above, it may be enough to estimate the total meeting and event spend based on industry accepted metrics, validate that with the current knowledge that exists

The Cost of Inaction is Significant!

If you are at a mid range of a mid-sized company, you may be leaving \$1,000,000 on the table!

Example: \$500,000,000 in revenue x 2% = \$10,000,000 low end of potential meeting spend x 10% low end of savings =

\$1,000,000 conservative estimate of meeting spend savings.

on meeting spend and project the savings. If there is low cost in financial and human resources to deploy a baseline SMM, there is a high likelihood of getting the approval to move forward to prove the hypothesis through a centralized sourcing process.

Another obstacle is the amount of human resources that can be assigned to the design and implementation of the SMMP. This is especially exacerbated in small to medium size organizations that have much smaller meeting teams and limited support from procurement, finance and legal. On the plus side, most SMEs have a smaller group of stakeholders and a more direct line to senior leadership, so decisions and approvals can be made more quickly. Designing and implementing an SMMP might take several months or more in a large company because of customization issues and a large number of stakeholders who need to be consulted. At smaller businesses this can happen in a much shorter time frame because of fewer constituents and more streamlined methods.

In all size companies, the “I don’t know what I don’t know” syndrome is also a hindrance to starting up an SMMP. One of the advantages with SMEs is during the process of identifying business requirements they are usually more minimalist. They are more willing to accept “have to have” capabilities versus getting bogged down in “nice to have” capabilities. The benefit of this behavior is incorporating industry standards and best practices in the foundation of the SMMP, reducing the need for a high degree of time-consuming customization. This allows for a speedy program launch, which will result in achieving savings more quickly.

In reviewing the Procurement Maturity Model (PMM) developed by author, blogger [Stephen Guth](#), attributes of procurement functions in “Best in Class” and “World Class” organizations have the following descriptions:

- High degree of automation
- Metrics driven
- Procurement reports to a “C” level
- Staffed with highly qualified professionals
- High degree of customer and supplier satisfaction
- Organization looks beyond itself

Bondurant Consulting believes these attributes align with the design of best in class SMM programs.

Advent of Streamlined Solutions

As noted in the SMM timeline, technology solutions began to surface in 1998. Clearly, meetings technology plays a facilitating function in the strategic sourcing cycle. With technology comes the ability to have ready access to a variety of information that can provide insight into meeting data, improve decision making through solid business intelligence, and prove meeting volume to suppliers and validate annual savings targets. The beauty of incorporating technology in support of an SMM is that the data is an effortless outcome of the sourcing process, with no need for time consuming manual data entry and error prone reports.

There have been new entrants into the SMM technology marketplace over the years with competitive progression to tools that are easier to implement and deploy for smaller and medium size corporations. *It is important to keep in mind that the tool or technology is simply the enabler of the SMMP.* It is essential that technology be paired with sound Strategic Meetings Management Program design, a realistic implementation plan and day-to-day operations that make sense for the organization. The game-changing solution will be one that provides all of this in a streamlined manner and at a reasonable price point.

With technology as the enabler, the core of a successful SMM program is a centralized sourcing and contracting process. Usually this exists either in the meeting planning, procurement or finance group within the company. If resources are limited, which quite frequently they are in SMEs, the sourcing and contracting can be very effectively managed by a third party at little or no cost because of commission offsets. The benefits of centralized sourcing are professionally negotiated contracts resulting in higher savings, the ability to standardize the RFP process, increased efficiencies through standard contract terms, and consolidated reporting of metrics and objectives on an automated basis.

By combining best in class technology with proven Strategic Meetings Management design support and a centralized sourcing program, a streamlined solution is attainable. The cost for implementing such a solution is far outweighed by the savings that can be realized with an SMM program. The merger between technology and centralization also provides the benefit of reduced human resources required to manage mundane activities, allowing the SMM lead to transition into a more strategic role within the organization

What to Look for in an SMM Solution

When small to medium size companies are researching a solution for an SMM, it is wise that they focus on a product that will be relatively easy: easy to buy, easy to deploy, easy to manage, easy for people to adopt, and cost effective. Specifically, how complex or simple is the process to purchase the solution itself? Ideally a quick start up, once a decision is made to move forward and the legalities are checked, is best. Since one of the promises of an SMMP is simplification, keeping the project momentum going with a tool that can be up and running in just a few weeks is a strong first step.

Organizations should identify a partner who has proven Strategic Meetings Management expertise and that can offer a “turn-key” solution for the SMM. Certainly the SMM program leader will have to spend some time initially identifying unique information and processes that are specific to the company. But by selecting a partner who has experience in SMM and can identify standard formats, processes and templates that have been successful in large company SMMPs, much less time will need to be spent designing the program. It is important to include the power planners and occasional planners dispersed throughout the company in setting up the program, as their inclusion at this stage facilitates compliance and buy-in, which are crucial to SMM success. Another SME advantage is that it is usually easier to identify and engage these decentralized planners in small and medium companies than it is in large companies with literally hundreds of occasional meeting planners.

Learning from the successes, as well as the mistakes, of those who have paved the way for SMM will minimize the time needed to implement an SMMP. Companies need to keep in mind that in order to have an easy deployment coupled with high adoption rates, less is more. The fewer processes and procedures to which the occasional and power planners need to conform, the better. Keeping it simple is key: Acquiring the basic information needed in order to conduct a well done site sourcing activity, working backward, and balancing the information requested, turns into the targeted reporting needed for the management of the SMMP. If the program is designed to make sense to people who need to use it, there will be higher compliance within the organization. Another key success factor is making sure that the technology selected has an intuitive, easy-to-use and straightforward user interface.

Strategic Meetings Management by the Numbers

Industry accepted savings calculations:

2% to 3% of total revenue

25% to 30% of total Travel & Entertainment spend

60% of corporate air volume

First year SMM program savings:

10% to 25% of meetings spend

As the program rolls out, SMEs need to be sure to communicate the benefits to the company and to the occasional planners. Most people want to do the right thing for their organizations; people will get on board if they know they can still do the “fun” part of the work. Share the outcomes on the progress of the SMM throughout the organization as well, as the savings materialize within a couple of months. When people see their efforts are actually making a difference, they will continue to support the initiative and build compliance.

Conclusion

The cost of Strategic Meetings Management inaction is significant. Small to Medium size companies cannot afford to not adopt a streamlined SMM solution. The cost versus benefit gap is too large when looking at a modest annual program cost versus program savings of hundreds of thousands of dollars. Immediate and proactive implementation will ensure that spend and savings data will be collected quickly, allowing for a speedy Return on Investment (ROI) for SMMPs. Recent developments of SMM technology, coupled with sound SMM design, removes most barriers to SMM adoption and opens the door to significant savings in short ramp-up times.

First year SMM program savings:

10% to 25% of meetings spend

About Bondurant Consulting

Betsy Bondurant CMM, CTE, President of Bondurant Consulting, is passionate about keeping Strategic Meetings Management Practical, Light and Effective.

Her consultancy is focused on the development and implementation of Strategic Meetings Management Programs for corporations and associations.

Betsy offers a unique 360° perspective with over 30 years industry expertise in hotel sales, meeting and trade show management and corporate travel, including 12 years of direct involvement in the discipline of Strategic Meetings Management at the world's largest biotech company. An Alumni of UNLV's School of Hotel Administration, Betsy is currently the chair of MPI's Knowledge Advisory Council and is the proud recipient of MPI's 2010 Chairwoman's Award.



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