

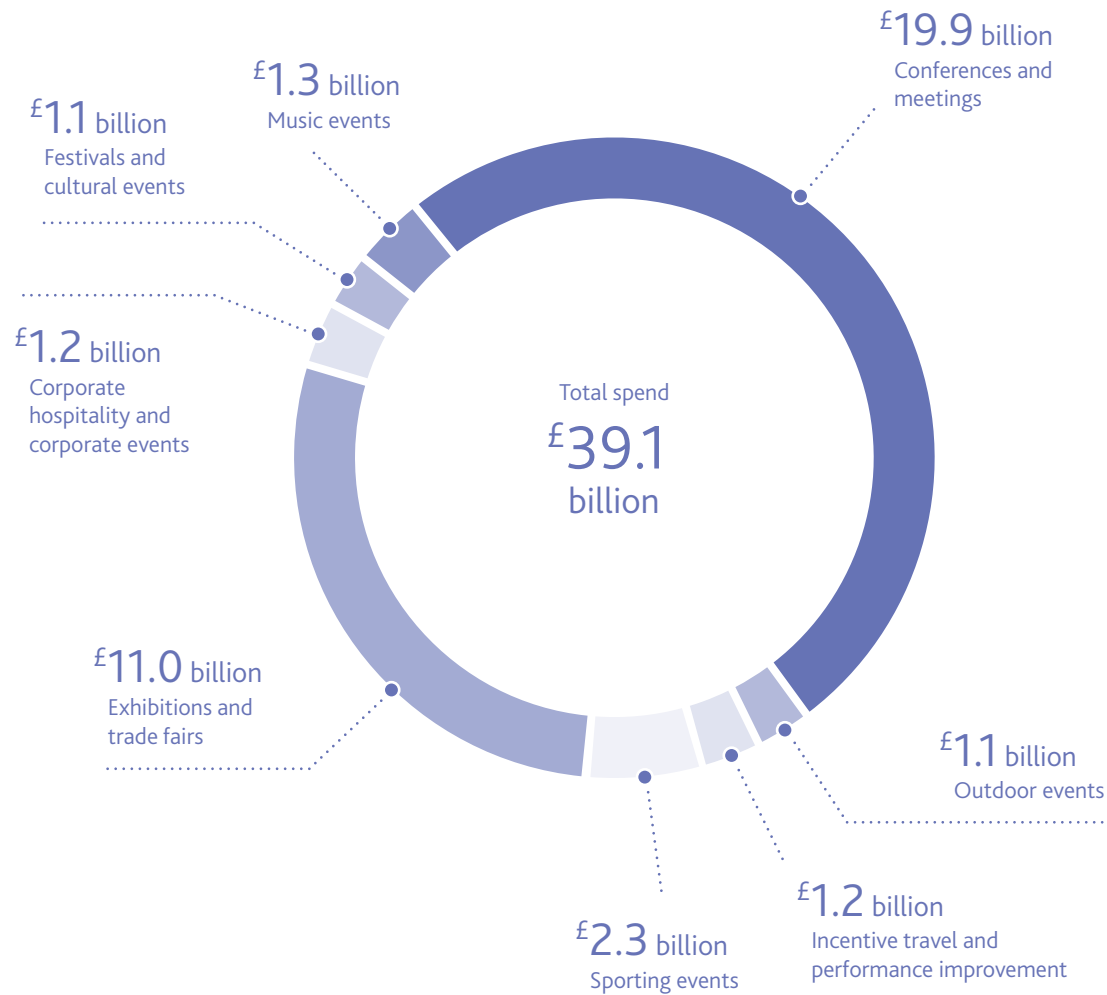
An aerial photograph of the London skyline, featuring The Shard and City Hall. The image is overlaid with a blue gradient and text. The word "CAPITA" is in the top left. A dark blue bar contains the text "Travel and Events". Below this, a white bar contains the text "Meetings in travel." and "Changing the mindset." in blue. The background shows the River Thames, several boats, and various city buildings.

CAPITA

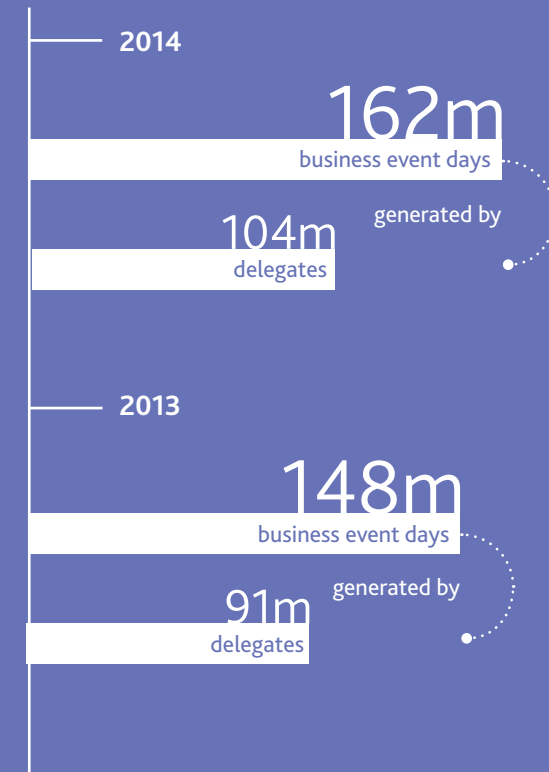
Travel and Events

Meetings in travel.
Changing the mindset.

A snapshot of meetings and events trends (UK)



Days spent at meetings



Sources: Events are Great Britain report;
UK Conference and Meeting survey 2015.

Introduction

Meetings spend is on the rise. British companies spent £2 billion more in 2014 than 2013 on face-to-face and virtual meetings.

Spend is growing because more people are spending more time at more frequent events. That's why, over the last 10 years, more and more companies have deployed strategic meetings management programmes (SMMP) to cut costs whilst protecting their employees and their brands.

Today Meetings Professionals International (MPI) reports that 82% of corporates embrace SMMP to generate savings; 56% to make spend more visible; 55% to drive greater value from their meetings and 55% to improve productivity.

SMMPs help organisations to cut costs by determining (or influencing, depending on the prevailing corporate culture) where and when meetings are held; protect employers' duty of care obligations, support contract governance and simplify the meeting planning process for all stakeholders.

To quantify the benefits of an SMMP, corporates can expect to cut meetings spend by 25 – 30% and as much as 90% of the time spent on manual tasks. Over three years, corporates' average return on the investment is 251% (source: Hobson & Co).

Of course, Strategic Meetings Management is only the first step. Although 88% of US corporates now have an SMMP in place, just 24% have already started to integrate travel and meetings by combining their meetings and transient reporting, with 17% having already consolidated their supplier programmes (source: Business Travel News).

Converging travel and meetings management is nothing new, but what would the benefits be and for some companies what is stopping them from taking this approach?

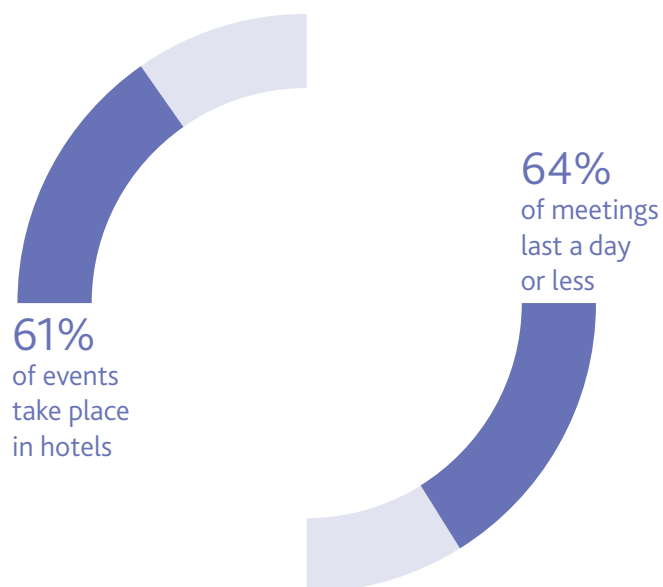
Neal Poole
Head of Marketing



In theory, the more a company spends on meetings, the more likely it is to have a strategic meetings programme in place.

Capita Travel and Events surveyed buyers attending the 2015 Business Travel Show and 73% said they were already looking at integrating travel and meetings management together into a single supplier and technology platform.

UK Meetings at a glance (2014)



Duration



Rates (inc. VAT)

£46

average daily delegate rate

£126

average 24-hour delegate rate

Sources: UK Conference and Meeting Survey 2015.

What's in a meeting?

The first step to consolidation is defining what precisely is being consolidated. The problem is that there are so many types of meeting - internal, training, external, local to global – that a single approach becomes much harder to achieve.

Another problem is that leakage comes in many shapes and forms. For example, internal meetings space is sometimes ignored; some organisations only define a meeting as anything that requires an external venue.

In others, policy mandates that no external rooms can be booked until all internal rooms are full, although mitigating reasons are usually accepted for taking a meeting off-site.

Then there's the leakage from invisible meetings, such as the customer networking event held in a local bar, or even the humble Skype call.

Perhaps the biggest problem is that booking events is fun – people want to do it. As a result, procurement teams have the delicate task of explaining to some employees that they don't have the necessary skills, experience and tools to do the job as efficiently as an expert.



Why consolidate?

Convergence of spend is nothing new. Back in 2008, 36% of corporations worldwide were already pursuing convergence strategies, but few had made real headway in terms of savings, policy or compliance.

Today, half of all travel buyers have, or are in the process of, creating a consolidated meetings, events and/or travel programme, according to the GBTA.

The association has found a 14% rise in consolidated programmes among travel buyers and intermediaries over the last five years. 94% of buyers with consolidated programmes say their travel meetings and meetings programmes are consolidated, yet this remains true for just 43% of events programmes due to the overall lack of visibility in meetings and events costs.

Most organisations want to take control of spend by applying mandated policy to generate data to enable meetings and transient spend to be leveraged and thereby generate savings. Savings are both direct and also indirect through rationalised contract management.

In the short term it is about a more strategic approach; looking at the total spend, driving people further down the line of consolidation and educating them to be smarter about booking.

“Popular goals and drivers for fully-consolidated programmes include better leveraging and maximising spend, obtaining better negotiated rates and dynamic pricing, and increasing efficiencies and improving service for stakeholders.”

“Four in five travel buyers find all facets of consolidated programmes appealing.”

Joseph Bates
GBTA Foundation vice president of research

14%

rise in consolidated programmes over the last five years

43%

of buyers with consolidated programmes say their events programmes are consolidated

94%

of buyers with consolidated programmes say their travel and meetings programmes are consolidated

So what should a consolidated programme look like and what would the benefits be? As we shall see, different organisations are at varying stages of the journey and apply different approaches to consolidation.

Case study 1

A large utilities company is working with Capita Travel and Events to consolidate internal and external meetings. Within the organisation internal meetings space is limited; the biggest rooms only accommodate up to 25 people, so any event with a larger audience has to be held off-site.

Before appointing Capita, the company's head office had deployed a standalone system linked to payroll for permanent employees booking internal meeting space.

As a result the company faced two significant problems. Firstly contractors - denied access to the system - were driven to book external venues. Secondly, the company was unable to capture a large proportion of demand data.

For some time, the company's policy has been for meeting planners to put internal space first, despite a lack of car parking, access, or on-site accommodation. However a lack of emphasis on that policy historically meant that users were generally ignoring it.

By appointing Capita, it has deployed a single supplier solution to drive compliance, improve the user experience and streamline contract management. Capita's role has seen the account management team work closely with a user group of high frequency bookers to drive behavioural change. A roadshow was staged over the summer of 2015 and a new travel itinerary mobile application, iris:go launched to all departments.

Un-used internal space is now tracked whenever an external venue is requested. However there are still barriers to be overcome. For example internal space availability cannot yet be cross-checked between other sites, whilst the compatibility of external technology with internal systems remains a key focus. Capita Travel and Events is working with the company to deploy a solution across all UK sites.

The company's procurement leads sums up the challenges they've faced.

“Bringing about behavioural change is essential – especially for long standing users like PAs. We have done this by showing them the benefits of making changes in black and white, although the biggest lesson we've learned has been the importance of data to quantify space utilisation.”

Case study 2

One customer began to implement their consolidation strategy in January 2014. Their objectives were to address a lack of visibility of meetings spend and to ensure maximum value from that spend.

Capita Travel and Events was appointed to manage a consolidated travel and meetings spend using a single supplier and technology. However internal meetings space was excluded from the arrangement.

Over the following 12 months, Capita helped to build up an accurate picture of meetings spend on external and internal meetings, providing monthly management information, reviewing and discussing options and potential innovations with the customer.

As part of the process, the customer's procurement team identified a small group of 15 key stakeholders to take part in a pilot scheme. The group was comprised of senior executive assistants/personal assistants and frequent travellers.

Ironically, as a result meeting spend appeared to rocket because the company was seeing true meetings spend for the first time and had data with which to govern that spend in the future.

The customer has set a three year time frame to bring about full convergence. At the half way point a list of preferred suppliers has been established and is subject to continuous review and enhancement. In this customer's case, there has been no knock-on effect on travel because most meetings are local and rarely require overnight accommodation. Amongst the bigger benefits has been the avoidance of cancellation fees.

As the company's procurement lead explains, achieving behavioural change was essential for the successful adoption of a consolidation strategy.

“We received lots of support from senior management. Once we had explained the reasons for change to them, senior management were involved in briefing stakeholders as well as in the pilot programme.”

The company's advice to other corporates considering the same approach is to *“make sure you know who the stakeholders are. This will make the process easy or difficult. Understand their needs and involve them in the process.”*

Overcoming the barriers

Although more and more organisations are adopting consolidation strategies, plenty remain reluctant to do so.

There are practical and cultural challenges around meetings. Some organisations lack the facilities to hold all but the smallest and simplest meetings on site. Others still retain separate internal and external comms teams, requiring harmonious relationships to be established with external agencies.

Some organisations also have different perceptions about the suitability of single source solutions. For example, suppliers with a venue sourcing background might be regarded as lacking the core expertise in event management required to effectively consolidate bigger, more prestigious events than the conventional 30 delegate meeting.

And whilst successful case studies attest to the importance of senior management buy-in, this is not always forthcoming. As one buyer says, "I've been down that road, providing lots of numbers and still received a lump on my head for my pains!"

In a regulated environment, giving all your business to one supplier is always scrutinised. Appointing a single supplier for travel and meetings spend demands additional due diligence and third party risk investigations. However the same regulated environment can also facilitate single source supplier arrangements.

Arguably the biggest barrier, however, is the fact that true convergence of spend requires the full support of two distinct audiences - event management specifiers and procurement. And in the category of event management, procurement rarely makes the ultimate decision.

There is little question that venue finding and travel go hand in hand. Consolidating these spends can be realised without compromise; experts like Capita have the required technology, data and knowledge.

However the events world is different. Here integration has yet to gain real traction – but for no reason that cannot be overcome with a leap of faith and consolidation of travel, meetings and events spend through one supplier.

Meetings vs. events

“Event management usually gets sold on creative merit although meetings and events are two separate but connected businesses that operate very differently.”

Paul Stoddart, director of meetings and events, Capita Travel and Events

“The issue is the number of different procurement approaches in practice. Some organisations operate a preferred supplier list; others will deploy different event management providers for different types of events. In the case of event management, companies will go outside policy more easily if senior stakeholder takes a shine to an alternate provider.”

The events world is not always driven by the same forces as events. They are so business critical that the decision of who to buy from is often made at the highest level. “Seniority will always override policy” says Paul. “You won’t ever change that.”

This is compounded by the fact that few suppliers can offer real expertise in travel, meetings and events. Customer-facing providers have to have in-depth knowledge of brands and industry sectors to be able to offer a solution.

“Capita has a genuine competency in each area and more creative talent in house than many would expect” says Paul. “We’re already providing strategic and creative services to event management customers who are seeing the benefits. Events is the final part of the jigsaw to enable people to connect with each other.”

UK PLC is waking up to the fact this is an area in which to bring diligence and governance. Framework agreements can provide the right creative choices whilst ensuring good governance and risk management. It’s about corporates going beyond great creativity and project/logistics management to appreciate that consolidation need not compromise flexibility or choice.

“Events is the final part of the jigsaw to enable people to connect with each other.”



Does it work for everyone?

Consolidating travel, meetings and events spend is tailor-made for some sectors such as financial services and pharmaceuticals because their meetings requirements are quite simple and often dominated by internal meetings. Both sectors are highly regulated too, ensuring a culture of policy and compliance pervades.

By contrast, in the automotive sector there is so much riding on new car launches and other events that cost reduction and efficiency messages do not resonate as effectively. Here the over-arching objective is global sales. If the creative for the live event idea will make the experience immersive and memorable, that's what matters.

Where audiences are mainly internal there is less brand or reputational risk, so they become more receptive to the prospect of reducing costs.

Fresh ideas can change the mood of any organisation. Don't be afraid to challenge your existing suppliers by taking a different perspective.



Conclusions

Converging travel and meetings spend is nothing new.

Adding a third spoke to the wheel in the form of events demands that procurement's mind be put at rest that adopting the same robust approach to spend management need not dilute creativity and event experience.

There are significant advantages to consolidation, both in quantifiable terms, but also in driving behavioural change amongst frequent users and other stakeholders, as well as corporate governance. Consolidating travel, meetings and events also creates the visibility required to maintain security and duty of care.

Events are normally held in venues which require business volumes to be leveraged in order to secure the best deal, an expertise which complements creativity.

As a rule, event companies do not possess expertise in travel, even though events usually require travel, especially if they are big events. With over £500m of customer spend under its management, Capita Travel and Events brings the buying leverage, infrastructure and creativity to bridge the three categories of spend.

Now, corporates can enjoy all the benefits of working with a large organisation known for delivery, credibility and cost efficiencies, together with a highly creative brand experience to enable their employees and customers to connect with their brand. Capita is delivering that now, so it shouldn't be hard work for procurement to realise.

Fresh ideas can change the mood of any organisation. Don't be afraid to challenge your existing suppliers by taking a different perspective.



12 ways to cut the cost of meetings

1.	Understand how much, where and how often your organisation is spending on meetings, events and training courses.
2.	Define when a face to face meeting is actually needed; although face to face contact is essential to close the deal, the cost of project implementation can be cut significantly by using meeting alternatives such as Webex, Skype and video conferencing.
3.	Assess how effective your internal meeting space is; less than half of the available space in most companies remains empty.
4.	Define the types of venue that provide the best fit for your brand, then compare the external venues you are using with hotels on your corporate travel programme to identify opportunities for consolidation.
5.	Review when your meetings take place. Venues often charge a lower rate for Mondays and Fridays than they do for the peak days of Tuesday, Wednesdays and Thursdays. Find out what the 'off-peak' periods are.
6.	Use local venues wherever possible to minimise travel costs.
7.	Be creative with food menus; but remember that healthy options needn't cost more.
8.	Look closely at AV spend; many venues have invested heavily in technology so you don't have to hire it in.
9.	Remember the importance of work/life balance. It's not unreasonable to expect delegates to travel on the morning of an event instead of staying over the night before.
10.	Ensure your venues have robust WiFi and will provide it to you within the negotiated rate
11.	Read venue contracts carefully and re-negotiate cancellation clauses to reduce risk. Watch out for hidden charges.
12.	Bring in a specialist with the expertise and systems to benchmark your existing travel and meetings programmes and to advise on how to improve meetings efficiency whilst reducing costs, adding value and looking after your delegates.

Want to know more? Speak to a member of the team.



0871 521 9800



travelandevents@capita.co.uk

Acknowledgement and sources

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Other acknowledgements and sources include:

- Business Travel News
- Events are Great Britain
- Global Business Travel Association (GBTA)
- Hobson & Co.
- Meetings Professionals International (MPI)
- UK Conference and Meeting Survey 2015



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