**CONSOLIDATING MEETINGS, EVENTS AND TRAVEL SPEND**

**What’s in a meeting?**

Lack of employee engagement costs American businesses anywhere from $450 billion to $550 billion a year – despite the volume, scale and range of business meetings expanding year on year.[[1]](#footnote-1)

Meetings come in all shapes and sizes. From small meetings for half a dozen people, to large-scale conventions, town halls, product launches, festivals and more.

The global events industry is projected to be worth $2,330 billion by 2026[[2]](#footnote-2) with corporate events accounting for more than a quarter of that figure. On average, meetings generate $1,294 of spending per participant, with six million international participants generating $38 billion of meetings direct spending in 2018.[[3]](#footnote-3)

The ways in which companies engage with customers and stakeholders has changed dramatically in recent years to include virtual meetings, instant messaging, shared screen and social media.

Organizations have adopted web-based conference technology and live presence video across offices as tools like WebEx and Zoom make it easy for delegates to engage seamlessly across continents. Together with virtual reality, augmented reality and Artificial Intelligence, these innovations have delivered the digitalization of meetings.

Those involved in the planning and delivery of meetings have changed too. IT, HR, Facilities Management, Audit and Security have joined Marketing, Training and other traditional stakeholders in the mix of interested parties.

And behind every meeting lies a trip. Up to 85% of overall meeting costs being made up of travel and ancillaries The one generates the other, so the smarter you manage one category, the less you need to spend on the other. In 2017 U.S. companies spent about $154 billion on meetings that required spending on travel – the equivalent of 42.5% of the billions spent on business travel in the United States. [[4]](#footnote-4)

The sums involved underline the value of aligning travel and meetings spend or as a minimum understanding the correlation between the two. The key to successfully managing them lies in understanding what works, why, and the benefits of consolidating in the right way.

**What to consolidate?**

Technology is enabling the consolidation of travel, meetings and events. Cloud-based event management platforms enable corporates to consolidate meetings and business booking processes, track related expenses, maximise policy compliance, transparency and potential savings.

Consolidation grew by 62% between 2015 and 2017 and is forecast to reach two-thirds of programs during 2020.[[5]](#footnote-5) Most practitioners began their consolidation journey by deploying a Strategic Meetings Management (SMM) programme.

As corporate spend on meetings increases, so does the cost of organising those events. 71% of event professionals with over $5 million budget will spend more on event tech in 2020 as the demand to deliver memorable event experiences consumes more budget. 56% of those who deliver more than sixteen events per year will increase their spend in 2020.[[6]](#footnote-6)

Incentive travel is another spend category ripe for consolidation with travel and meetings. 84% of U.S. businesses now utilize non-cash incentives to retain and engage employees; 40% use travel rewards to recognize employees’ performance 65% plan to expand their current incentive travel programs in 2020 beyond the current average of $4,000 per employee. [[7]](#footnote-7)

**Barriers**

Organizational issues present obstacles to any consolidation program. The range of stakeholders involved in travel and meetings management means there are more people to get onto the same page. Meetings, events, and travel teams often do not report to the same department, resulting in spend being fragmented across cost centers.

Common challenges to be overcome include limited visibility, a perception that meetings cost relatively little compared to travel, the limited control many organizations exert over their meetings spend and the associated lack of policy around how meetings are sourced.

Many companies don’t know what they spend on meetings because few travel policies include meetings. Spend is often channeled through different platforms, making data aggregation harder. Different technologies deployed for travel, meetings and events are not integrated into internal finance or business systems, making effective management impossible.

Meetings-related data is consequently often sparse, either because managers don’t know where to find it or because gathering and analyzing it is too laborious. In many cases, meeting spend is fragmented into silos, with no consistent advice given to stakeholders on how, or where, to book meetings.

Even when they finally piece the full picture together, a lack of guidance means many organizations do not realize the scale of opportunity open to them. They do not understand the impact on costs a choice of meetings destination relative to the people attending that meeting can have. Some simply leave the Management Information in a box in the corner, unable or un-willing to exploit the cost and process savings.

Even in companies where there is a meetings programmes there is a high percentage of un-managed spend and leakage. Sometimes there isn’t a policy in place, so corporates need templates they can adapt. Sometimes, the problem is getting the C-Suite’s attention because they do not understand how much the organization is actually spending on travel, meetings and events.

**Benefits**

1. Spend visibility

Consolidating travel, meetings and events into one category makes overall spend visible. Smart reporting provides access to real-time savings data, enabling more informed planning, better policy compliance and streamlined processes.

1. Leveraging savings

A Strategic Meetings Management program can reduce total meeting costs by 10 – 25% [[8]](#footnote-8)

Food and beverage costs can be reduced by addressing poor registration processes for events which can lead to high no show rates and thereby avoid wasted spend. eRFP processes make it easier to negotiate concessions on Wi-Fi and A/V in meeting spaces, whilst avoiding un-necessary financial penalties through standard contract clauses.

1. Policy compliance

Organizations with an SMM programme have 48% average compliance to internal policies, procedures, and guidelines. Those with a more mature programme record up to 78% compliance [[9]](#footnote-9) - particularly relevant in in the United States, where businesses are obliged to comply with the Sarbanes-Oxley Act (SOX) of 2002.

1. Cost avoidance

Data driven insights into how, where and why meetings take place enables an understanding that can be translated into cost avoidance strategies based on smarter thing. For example, is it necessary to meet face to face when a virtual meeting would avoid travel and venue costs?

1. Duty of care

Consolidation enables companies to enhance duty of care by making smarter decisions about how, where and when they meet. Effective demand management can have a positive impact on productivity whilst consolidation enables duty of care solutions to be fully integrated and aligned with company policies and legislations. Risks can be more effectively assessed and mitigated, education of employees becomes more consistent and impacts mitigated.

1. Integrated approach

With U.S. business spending $518 billion on business travel and a further $135.9 billion on meetings, events and incentive travel, the case for consolidating that spend is huge, before taking increased spend visibility, enhanced reporting, richer data, increased employee productivity and corporate duty of care responsibilities into consideration.[[10]](#footnote-10) The long term benefit of consolidation lies in taking a strategic approach; looking at total spend and educating people to be smarter about what, when and how they book.

**Roadmap to consolidation**

1. Setting priorities

Decide upon what is to be consolidated. Will the programme apply to all meetings and events company-wide, or those in a specific country or region? Are some elements to be mandated or will meeting planners be free to make their own decisions? What type of meeting is the programme to cover; small meetings, large meetings – or both? Will the programme cover external meetings, internal meetings, or both?

1. Stakeholder engagement

Engaging with key meeting stakeholders early in the consolidation process as possible is essential. Create advocates as quickly as possible to ensure they are part of your journey. To make a consolidated program work, key issues that need to be understood include how meetings are booked, what challenges do the business and meetings planners face and equally what works well? Other points to consider include whether there a company-wide meetings policy in place and where non-compliance with company meetings policy exists?

1. Preferred vendor program

Consolidating meetings, travel and events enables preferred supplier programs to be consolidated and maximum savings leveraged. First, understand what local agreements exist and which third-party suppliers being used, if any.

1. Define processes

Streamlined processes should be introduced in a phased manner and include policy for booking meeting venues internally, externally or virtually; make explicit those allowed to book meetings, preferred vendors to be used and internal approvals required for consent to proceed, rate caps in key destinations, capturing the data that provide insight and streamlining the billing process by introducing virtual or lodge card payments.

1. Scope technology

Cloud-based event and travel technology platforms, which offer shared access among an organization's divisions, will facilitate consolidation - even in programs that are not fully consolidated. Non-consolidated programs can also benefit from the available meeting management through data capture and attendee experience.

1. Turning data into insights

In any organization, the default position is often to call a meeting without first thinking about three things; where it will be held, when whether the meeting should take place in-house or externally. Instead meeting planners should be challenged to think through the best way to engage, and all stakeholders should be made aware of the total cost of any meeting including the impact of different travel choices and overnight accommodation..

1. Turning insights into action

By understanding meeting trends and behaviours in an organisation, those behaviours can then be challenged and changed through education or by introducing approval levels as is commonplace within business travel. Start by looking at expense data from venues and other vendors. Business travel data will assist fill in more of the gaps – especially around how people travel to meetings in your organisation.

**Why cievents?**

cievents and FCM bring together travel, meetings and events to present travellers and delegates with a consistent, high-quality and seamless experience that meets all stakeholder needs.

Thanks to a combination of exceptional meetings and events solutions with innovative and forward-thinking technology, cievents and FCM customers enjoy a comprehensive end-to-end solution.

At the heart of the global Flight Centre Corporate Technology ecosystem lies ciConnect, which can be implemented as a standalone product, or integrated with FCM HUB providing customers with 24/7 insights and true consolidation of total meeting, event & travel spend.

The technology is simple to use with functionality familiar to corporate customers including approval process, supplier preferencing, policy management and cost centre reporting. GDS integration via online booking tools, allows cievents and FCM to remain ahead of its competitors and its customers to benefit managing business travel, meeting and events spent in one solution.

**Conclusions**

Meetings and travel costs are so heavily inter-twiner that it is illogical to manage expenditure separately. And after years of taking a siloed approach, organizations are now actively pursuing the benefits of a more consolidated approach.

Consolidated programmes have grown by over 60% since 2017 as companies apply the same principles of procurement and policy to meetings as they have with business travel, leveraging costs savings, improving processes and maximizing ROI.

Consolidation is enabling companies to understand what they are really spending. That knowledge, coupled with the insights into why and how meetings or events are sourced creates the behavioural insights that enable corrective action to be taken.

1. Gallup [↑](#footnote-ref-1)
2. Allied Market Research [↑](#footnote-ref-2)
3. Oxford Economics and Events Industry Council, 2018 [↑](#footnote-ref-3)
4. U.S. Travel Association [↑](#footnote-ref-4)
5. Global Business Travel Association (GBTA) and Cvent [↑](#footnote-ref-5)
6. EventMB report 2019 [↑](#footnote-ref-6)
7. 2019 Incentive Travel Industry Index [↑](#footnote-ref-7)
8. Cvent [↑](#footnote-ref-8)
9. Aberdeen Consulting [↑](#footnote-ref-9)
10. MPI - Strategic Meetings Management (Kitchen, 2019) [↑](#footnote-ref-10)