



Discovering the Future of Sourcing

Citywide notes

- Use tiered rates to overcome compression in cities and ensure availability to attendees
- Always make sure to report history and pickup accurately to hotels hosting future blocks so that citywide blocks are not blind cut without the show organizers' approval
- Getting CVB and hotel community on the same page is critical to ensure that blocks are being held until and unless a first option is ready to proceed to contract prior to the citywide blocks that are being held tentative
- Put language in LOI to determine when hotel contracting will commence. Perhaps incentives can be used (including higher attrition percentages) to book further out
- Ensure that CVB partners are presenting the lead to the entire hotel community required, not just their member hotels. Conversely, make sure that CVB's aren't sending their lead to hotels that your group will never require simply to meet a lead goal.

Mini-wide notes

- Suppliers need more clarity on your timeline than they have in the past. Over-communicate as best possible in order to receive a timely bid and to protect your bid option. Share not just the signature timeline, but perhaps site timeline, board review timeline, etc. And, immediately update the suppliers as you amend timelines. They are asked in business review for updates on space holds. If they don't have updates, their colleagues might be given the go-ahead to take that space from you.
- Destinations, specifically 2nd/3rd tier, can have greater success enticing events to their market if they disclose unique enhancement opportunities in their proposals. Don't just speak to how the destination can support the logistics – the planner wouldn't source you if you couldn't host the logistics so they know those details. Tell us why you are “sexy” and read between the lines of our event and tell us how your destination can uniquely support us. Lean on local partnerships with educators, speakers, entertainers, etc. Some destinations still give \$\$ incentive to book – that works if it is impactful enough to shore up our bottom line, but not at the expense of lower attendance.
- Suppliers need to receive not just your projections of event attendance/spend, but your actuals too – this is far too often overlooked. Enhance this data share by including your economic impact details as well as perhaps your AV, IT, decorator, and transportation spend. Also, it

frustrates destinations when they see high attendance numbers on the RFP, but the room block is low. Be transparent about the local draw so they aren't left to wonder where the gap is. **As it relates to economic impact, if the CVB/DMO isn't doing it, sometimes a local university can do it.

- Have an old-fashioned conversation to discuss needs. Some planners are adding – “Please call me before bidding” on their RFPs. They want to talk!
- Destinations will have more success if they show planners OPTIONS. Don't just bid with the standard package, show us how it looks depending upon how much F&B revenue we place at the Center vs. at the HQ. How does our block change? It helps planners understand if they should put a smaller block at the HQ or a larger block at the HQ.
- If you don't need to source right now, perhaps delay your RFP release. Some planners feel we are at the pinnacle of pricing and pausing might work to their advantage. There is risk that inventory/dates will be gone by time they decide to book, but if they are flexible they feel they can win even in this strong seller's market.
- If you decide to release your RFP now, everyone agreed they must be sure they release it at precisely the right time to review and sign it – they recognize there is no room for delays.
- Stop asking for 10% off of F&B/20% off of AV – negotiate that later via custom menus and custom AV quotes. Don't chip away at the savings with meaningless discount requests. You need to shore up your concession needs more than ever and these water it down.
- Planners were told by suppliers that if they see them looking at more than a couple of cities, they don't put their best offer on the table. Especially if it is a miniwide that can fit in a single hotel in certain markets (Vegas, for example) and they are also looking at Columbus (where Center + several hotels are needed). This confuses the bidding party as they don't feel that is apples-to-apples. Know what you want your event to feel like and pursue the bids that match that desire.
- Planners for the most part are NOT cross bundling large meetings with smaller meetings. Smaller meetings are too short-term and they don't feel confident promising smaller meetings that far out.
- Planners are moving F&B to the hotels more frequently as they aren't seeing a major benefit of keeping it in the Center consistently (rentals aren't always impacted by food spend). A closer look at moving F&B to the HQ, when feasible, is underway.

In-House notes

- Properties are balancing protecting their profit centers while meeting budget expectations from customers. In a market where demand is strong, it's still difficult to maintain profit margins given continual increases in operating costs.
- Properties must make decisions with long term relationships and partnerships in mind.
- Hotel owners (who were under duress during the economic downturn) are placing pressure on hotel Sales Managers. Many owners made significant investments in their hotel assets during the economic downturn anticipating the market would return. All of these financial pressures flow directly from ownership to GM, DOSM and sales personnel. Group quotas have been increased and booking parameters have been tightened to accommodate increased demand.
- DOSM's are asking for better feedback from Sales Managers regarding tentative opportunities and where they are in the selling process. Often times “no update” or opportunities that are unable to move forward are confronted with customers who are willing to sign 2nd option

contracts. Sales Managers that began their career during the economic downturn are experiencing a faster pace with more moving parts to consider. Communication regarding how the decision process is progressing is critical.

- Properties must manage interactions with care and purpose. Both hotel Sales Managers and customers have pressures. Communication is key so we can work together. It's important to listen.
- Blocks are picking up which prevents a property from conducting a "fire sale" to move rooms at the last minute.
- In-house meetings (with strong F&B) are KING. Many properties are unable to grow revenue through occupancy, so rate and F&B are very important.
- Many properties are offering smaller blocks to citywide groups to leave room for in-house opportunities. F&B spend is definitely taken into consideration when deciding peak blocks. In addition to banquet F&B, properties are looking into the amount of time the group will be on property for ancillary spend in the Outlets, etc. Having access to this information will help the property provide a more attractive offer.
- In-house meetings help properties keep all of their staff working. Competition is significant to retain talented and engaged associates. The best F&B associates are likely to work where they have the most hours.
- F&B minimums are based on demand and what the hotel "needs" the F&B spend to be for a particular pattern. Some properties are doing more revenue in F&B than rooms, so they're willing to wait for another opportunity that meets their requested F&B spend. Sometimes this conflicts with the group's budget or what's requested in the RFP. Some groups are finding success when adding off-site catering provided by the hotel and partnering with preferred partners (AV, decorator etc).
- Properties are more diligent in managing set-up and tear down times. Some properties have a separate Meeting Space Revenue Manager to maximize meeting space availability and revenue.
- Sales Managers are advocates for the opportunities they're bidding on. Not only are they selling externally, they're selling internally to their team why we should bid on a particular opportunity and why a 1st option hold should continue to be extended.
- Demand is expediting the sales process. Quick decisions are necessary to avoid losing preferred dates.
- Incentives are being offered to groups that have flexibility with dates, pattern and space. A bad pattern is much more costly to a property than a lower rate.
- Short term in-house business is up, however the challenge is availability.
- For many properties, future year pace is showing record growth so availability is a challenge there too. Groups are booking further out than ever to secure preferred dates and destinations; however they may be paying a premium to do so. Waiting may benefit the customer. Properties are looking for the ideal opportunity so they can set the property up to layer short term business down the road.
- 2nd Tier destinations are reaping the benefit of compression in 1st tier destinations. Many 2nd tier destinations have matured in recent years with regards to their facilities, entertainment etc. Groups are seeing attractive incentives from these destinations.
- Actual discussions vs emails are always best.
- Customize concessions and target deciding factors vs throwing out standard concessions.
- Flexibility is needed to secure preferred properties and dates.
- Create leverage with multi-program offers.