

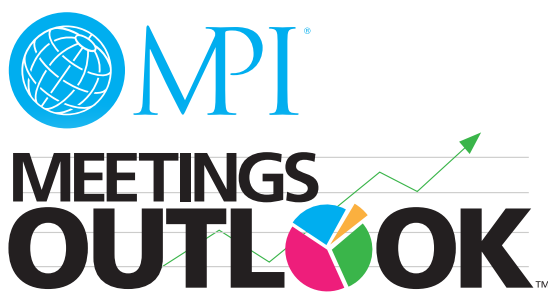
50MPI<sup>®</sup>  
YEARS

# MEETINGS OUTLOOK<sup>™</sup>



2022 FALL EDITION

# FINANCIAL creativity IS ESSENTIAL



By Elaine Pofeldt

*Despite the surging industry recovery—and many meeting professionals reporting their business is back to pre-pandemic levels—the immediate path forward is challenging with insufficient resources, both staff and budgets, widely reported. The good news: The industry knows how to proceed in a successful manner; the bad news: Outside factors could delay the industry’s full recovery.*

**W**hen Melissa Banks, an event planner at DMD Event Planning & Design, organized a recent bridal expo at Five Star Event Lodge in Brandon, Miss., she got creative about stretching her budget and staff to create a fun experience for the brides in an environment of rising costs and labor shortages. She reached out to vendors who needed exposure—including a new travel agency, makeup companies and cake vendors—and lined up volunteers she knew from more than 20 years in the industry to greet people at the door.

“Part of being a successful event planner is building relationships,” she says.

Although the meeting and event industry has been making a comeback from the pandemic, there’s no denying the pressure of rising costs—and insufficient budgets to cope. And it could get worse before it gets better. The majority of respondents (53%) to the latest Meetings Outlook survey said they are preparing to deal with inflation and/or a potential recession, up from 40% this summer.

Price hikes have hit virtually every area of the industry, adding pressure for planners in a business landscape that 64% of all respondents—planners and suppliers—see as a seller’s market.

“All costs are up—guest room rates, meeting space rates, F&B and audiovisual,” wrote one U.S.-based planner, who

## COST INCREASES, PREPARING FOR FINANCIAL DOWNTURN

The majority of respondents (53%) indicate they are making preparations to help deal with inflation and/or a potential recession—up from 40% this summer. Of the options given as to the nature of these preparations, “eliminating/reducing business” was the only one being utilized less than in last quarter. An incredible 78% of respondents are seeking new revenue opportunities—more than double the percentage from summer. However, even though only 8% of respondents note layoffs as an economic downturn tactic, that’s an eight-fold increase quarter over quarter.

### How are you preparing financially for inflation and/or potential recession?

#### Fall '22    Summer '22

78%	34%	Seeking new revenue opportunities
29%	10%	Stockpiling cash reserves
28%	12%	Hiring contractors instead of full-time staff
27%	19%	Limiting business travel
22%	5%	Increasing financial investments
14%	8%	Limiting hours for hourly staff
8%	3%	Reducing business
8%	1%	Layoffs
3%	4%	Eliminating/reducing benefits

requested anonymity. “We have seen our AV costs go up over four times what we were paying in 2019. This is forcing us to rethink the [number] of meetings we do at hotels, and we are looking at working with more conference centers with everything included. We all suffered during the pandemic, but it seems like hotels are really trying to make up for lost time. Rates are sky-high and service levels are at an all-time low.”

And there seems to be no end in sight.

“Costs are out of control,” wrote Jana Atlas, CMP (MPI Northern California Chapter), the San Mateo-Calif.-based chief designer at Create365, which helps clients design programs to motivate and reward teams, in her survey response. A big challenge, she said, is “trying to provide

competitive services while helping clients understand that costs have increased by 40%-100% in different areas and that everything needs to be negotiated.”

While 65% of respondents expect their budgets to increase over the next year, any such growth isn’t likely to keep pace with rising costs. For instance, only 21% of respondents to the survey anticipate a budget increase of more than 10%. And the purse strings will need to get much tighter for the 13% of respondents who expect a decrease in budget over the next 12 months.

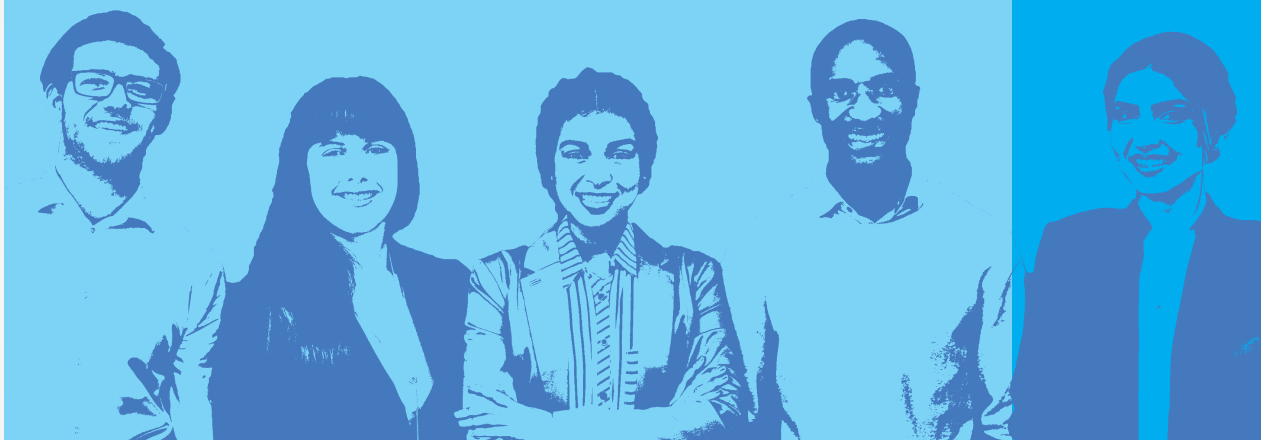
The “great resignation” hasn’t helped as 62% of survey respondents report that they are still having trouble filling staff vacancies, down slightly from the previous quarter (69%) but still up significantly from the 37% who were

# HIRING CHALLENGES

Down slightly from the previous quarter, nearly two-thirds of respondents say they're still having trouble filling staff vacancies. This shift may be due, at least in part, to substantial industry outreach efforts—hopefully this is the start of a trend.

**Are you finding it difficult to fill job vacancies at your organization?**

	Winter '21/'22	Spring '22	Summer '22	Fall '22
<b>Yes</b>	<b>60%</b>	<b>54%</b>	<b>69%</b>	<b>62%</b>
<b>No</b>	<b>28%</b>	<b>35%</b>	<b>24%</b>	<b>27%</b>
<b>Unsure</b>	<b>12%</b>	<b>12%</b>	<b>8%</b>	<b>11%</b>



experiencing these hiring challenges a year ago.

Atlas says she now must lock down commitments for labor and tech support earlier than before.

"The page has turned," she wrote. "However, the concerns about the economy are real and still [have] to be a huge consideration in negotiations to protect all parties!"

Finding new ways to pace how work gets done is another strategy for coping.

"We host a virtual event two weeks after our in-person event [because] we don't have the staff or resources to host both at the same time," wrote one U.S.-based planner, who requested anonymity.

Molly Marsh, CMP (MPI Kentucky Bluegrass Chapter), director of education and events at AMR Management Services, an association management firm that serves nearly 30 clients, has found that staffing changes have disrupted critical relationships, slowing the wheels of the planning process.

"On all sides of the industry—planners and suppliers

alike—there has been so much transition, change and turnover that relationships we used to rely on to ensure efficient planning of our events are gone," she wrote in her survey response. "In addition, with many hotels, venues and event organizers all dealing with staffing concerns, planning ahead with strong communication is rare. It seems like everything takes longer and is more last-minute. For our teams, this has meant increasing our sourcing outreach, often trying twice as many potential vendors as we might have in the past—just to get one who might be able to support the event."

Marsh said later by phone that she and her team had to reach out to six photographers for the event she was calling from—and only got one response.

"Typically, we might have three comparisons for our clients," she says. "Now, if you can get one person to call you back, it's incredible." She holds no grudge against those who didn't return the calls, noting that "vendors are squeezed thin, too."

*“Costs are out of control. [A big challenge is] trying to provide competitive services while helping clients understand that **costs have increased by 40%-100% in different areas** and that everything needs to be negotiated.”*

**JANA ATLAS, CMP**

MPI Northern California Chapter  
Chief Designer, Create365

In an environment like this, Marsh is less likely to take the ball and run with it when a volunteer comes up with a spontaneous idea that would require research.

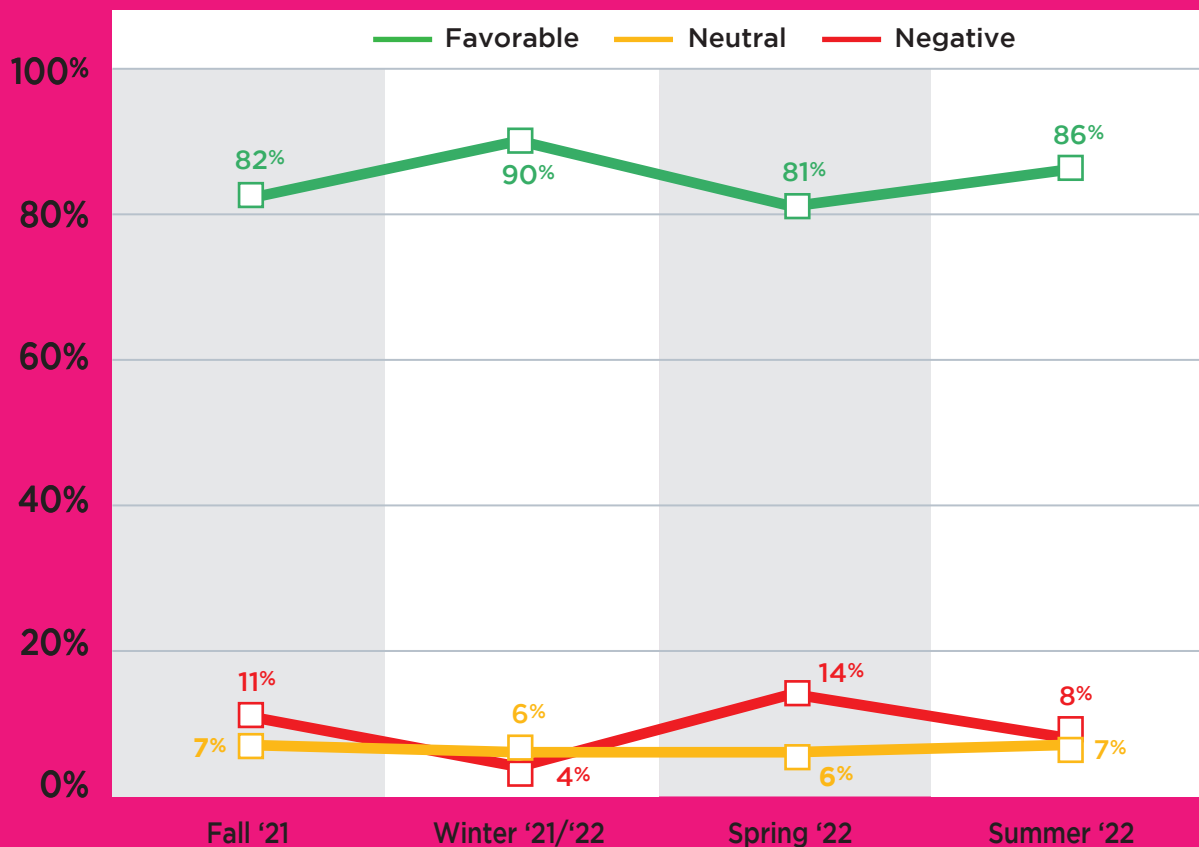
“We can’t be chasing all of these things at once,” she

says. “We have to decide as a team what’s important.”

Some companies in the industry are looking for team members who have the skills to multi-task. One supplier who asked for anonymity reported that they’re “working

## BUSINESS CONDITIONS

Meeting professionals are firm in their convictions as to the business landscape over the next 12 months. With “favorable” results ticking up again, the past year forms the most positive block of consecutive quarters seen in the survey’s history.



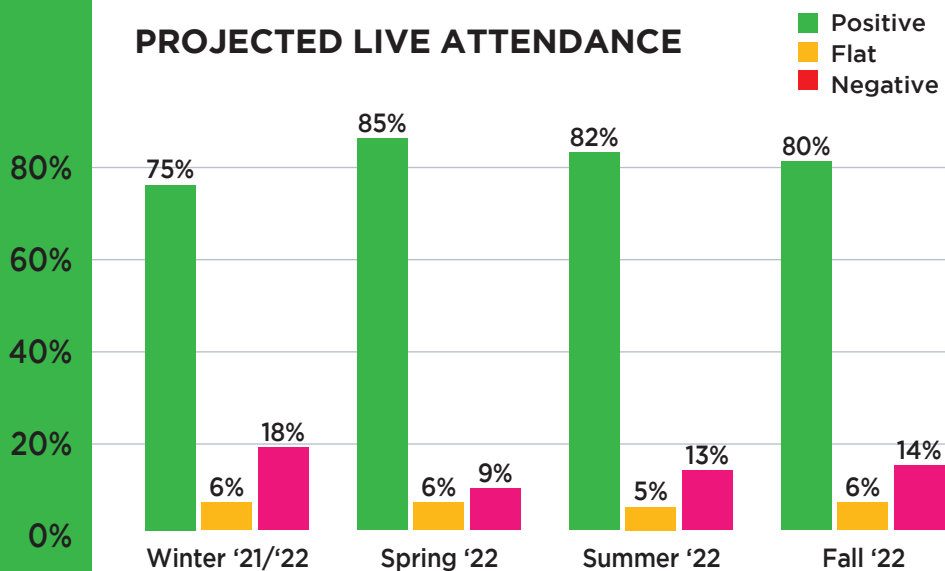




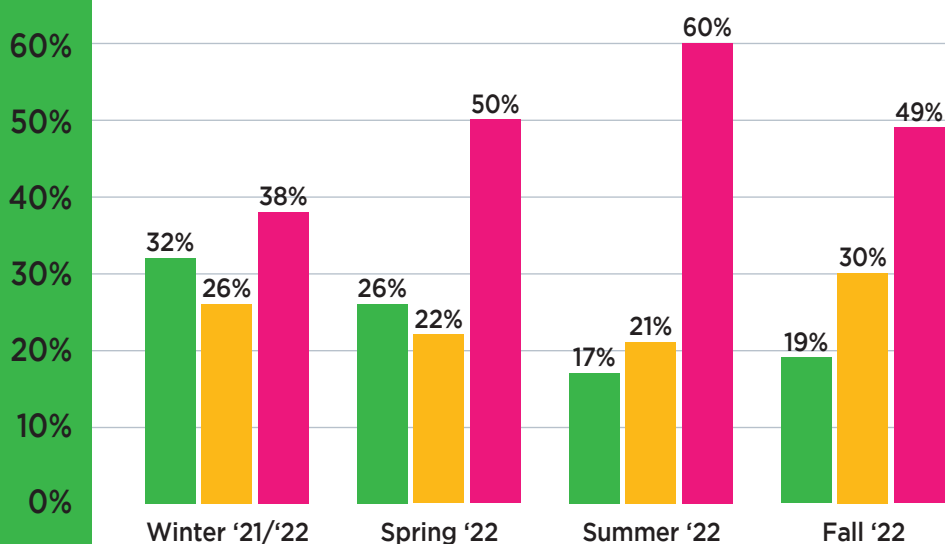
## ATTENDANCE FORECASTS

While in-person attendance expectations remain incredibly strong, data reveals a slight softening, comparable with slight growth for virtual attendance expectations. The results suggest organizations and meeting professionals are becoming more cognizant of the unique benefits offered by face to face and virtual.

### PROJECTED LIVE ATTENDANCE



### PROJECTED VIRTUAL ATTENDANCE



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**MOLLY MARSH, CMP**

MPI Kentucky Bluegrass Chapter

Director of Education and Events, AMR Management Services

towards hiring trained positions who can ‘go with the flow’ and make improvements out of the box”—not an easy task in normal times, much less amidst the current employment reality.

Regrettably, the combination of higher costs and staffing issues is leading some organizers to change plans or cancel meetings altogether.

“Costs of flights and hotel accommodations, combined with lower levels of ‘quality’ and service for flights and hotels, are making some decide not to book or cancel for the association, or choose a location nearer HQ regarding corporate,” noted one CVB respondent in the U.S., who requested anonymity. “Additionally, when events do go forward, these costs are so high that meetings are being forced to cut other costs to the detriment of the experience and host area’s local economy. Next, hotels are still

so short-staffed that communication with hotel staff is sometimes a challenge for both the planner and the CVB staff. This is also causing a situation where RFPs are not being responded to or the response is late, plus sometimes incomplete, and with very high rates.”

Wendy Parsley, a New York City-based planner who is co-founder and CMO of Quint Interactive, a B2B marketing company, says that at a recent event she arranged in Boston, the hotel imposed strict limitations on changing the seating, imposing a window of three days.

“If you made any changes to that onsite, they would have to charge you a labor fee to make it happen,” she says. The same happened at another event she planned at a private event space in San Francisco. “They didn’t really staff the venue on event days anyway.”

To compensate for lower staffing levels, Parsley says,

## BACK TO BUSINESS

One year ago, a scant 3% of respondents said their business levels had returned to pre-pandemic levels—now, nearly 10 times as many say the same. However, a growing percentage of meeting professionals have pushed back their business recovery timeline with, year over year, a 68% increase in respondents anticipating to see pre-pandemic business levels in 2024 or later (from 22% to 37%).

**When do you anticipate your business levels will be back to normal?**

	Fall ‘21	Fall ‘22
Already back to pre-pandemic levels	3%	32%
Sometime in 2023	35%	31%
Sometime in 2024 or later	22%	37%

# EMPLOYMENT TRENDS

	Winter '21/'22	Spring '22	Summer '22	Fall '22
<b>Full Time</b>				
Increasing	38%	39%	40%	41%
No Change	45%	43%	40%	42%
Decreasing	17%	16%	20%	16%

	Winter '21/'22	Spring '22	Summer '22	Fall '22
<b>Part Time</b>				
Increasing	24%	31%	32%	35%
No Change	63%	51%	58%	48%
Decreasing	8%	11%	10%	11%

	Winter '21/'22	Spring '22	Summer '22	Fall '22
<b>Contract</b>				
Increasing	35%	38%	40%	33%
No Change	51%	47%	51%	53%
Decreasing	10%	8%	10%	8%



"We always bring in production assistants. We always bring in stagehands." She also arranges for extra team members to serve as greeters and provide customer service. To economize, she books them for part of the day rather than the full day. "It's been an interesting exercise with our clients to look at how many people we bring onsite, and how we supplement that with their staff. That's a discussion we've had quite a bit, especially as it relates to cost."

Of course, B2B events aren't the only ones getting hit.

"Event producers are planning outdoor public events/festivals, but attendance is down," noted one anonymous U.S. planner. "Being too spread out or in a venue that is too large impacts the energy and aesthetic of the event, in

addition to the bottom line. Families are looking to spend a few hours at an event, not a full day as lifestyle choices have changed."

## Getting creative

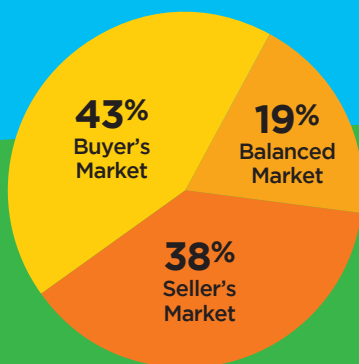
Creativity is the order of the day for many meeting professionals as they look for ways to not just excite stakeholders but also to cope. An overwhelming percentage of respondents (78%)—a percentage that more than doubled since last quarter—has prioritized the search for new revenue opportunities. Other strategies include stockpiling cash reserves (29%), hiring contractors instead of full-time staff (28%), increasing financial



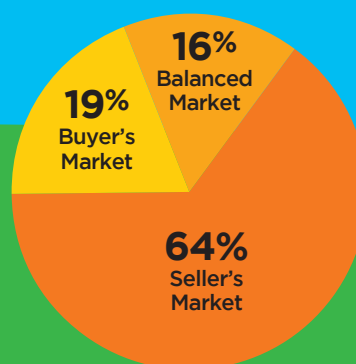
# MARKET LANDSCAPE

After a full year watching this shift, it's safe to say that—in general—meeting professionals are now solidly in a seller's market.

## FALL '21



## FALL '22



investments (22%) and layoffs (8%).

"We are a venue that is turning many things upside down because we need to and see this time of 'newness' as a good place to start," says Bobbi Reed (MPI Rocky Mountain Chapter), general manager of Infinity Park Event Center in Glendale, Colo. "Taking some features off the table, we believe, will enable us to go after quality in clients instead of quantity."

For instance, Reed says Infinity Park is raising prices to simplify the choices clients need to make.

"Our room has 360-degree surround screens, and our moves will bring the high-tech production into play more often, so we expect some non-profits and social events to be impacted and will be pursuing corporate, multi-day events," Reed says. "Our sales team will be working both the incoming lead angle as well as putting more efforts in networking and targeting with a different level of client."

For some planners, the creative economizing extends to site selection.

"We are working to keep our annual convention in the Sunbelt states," said a U.S.-based planner who requested anonymity.

If the situation doesn't improve, this resources challenge could ultimately slow the industry's overall recovery, particularly if global events throw a wrench into the environment, survey data suggests. Although 32% of respondents said their business has returned to pre-pandemic levels—up from 3% in the fall of 2021—many respondents are revising their projections. Additionally, 31% of respondents expect their recovery to come in 2023 (down from 35% in fall 2021), and 37% believe it will be in 2024 or later (up from 22% in fall 2021).

"We all want to bring meetings back," Marsh says. "The rest of the structure that supports the industry isn't covered enough."

Building better working environments where team members feel respected and are compensated for working in stressful environments is part of this, she believes.

"People have re-prioritized because of [the pandemic]," Marsh says. "What they are willing to do and not do is different now. It used to be that people loved this industry so much that the rewarding pieces outweigh the negative."

Right now, she says, work on the front lines, with the public, is not appealing to many. ■