“ADVANCED NEGOTIATION TECHNIQUES FOR MEETING PLANNERS AND SUPPLIERS”

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Negotiating Considerations

- Current Climate
- Contracting Trends
  - Renegotiation of existing contracts
  - Seller’s market has returned
- Flexibility
  - Timing
  - Patterns
  - Destinations
Negotiating Tips – “Big Picture”

• Don’t ever give up something without getting something in return
• Don’t negotiate non-economic items, e.g., risk management
• Consistency is key – exceptions CAN and WILL hurt organization
• Use your legal resources
• Address inside and outside of contract
• Hope for best but plan for worst
Negotiating Tips – Hotel Contract Template

• Format
  – Focus on common objections
  – Focus on fallback options

• Room Block
  – Right size?
  – Right to increase or decrease?

• Room Rates
  – Confirmed or current year with cap?
  – Lowest rates
  – “Or prevailing government rate at time of event”
Negotiating Tips – Hotel Contract Template

• Cut-Off Date
  – Comfortable with date?
  – Notice before release
  – Rooms sold after at group rate

• Relocation Clause
  – Equal or better nearby hotel
  – Transportation and other considerations
  – “Police” before the meeting
Negotiating Tips – Hotel Contract Template

• Complimentary Concessions
  – What concessions should meeting professionals be requesting
  – Focus on rooms, suites, function space, food and beverage, audio-visual, shipping and handling, technology, security

• Know What Government Can’t Pay For
  – Which items can be bundled
  – What can hotel “throw in”

• Master Account
  – Establishment and billing practices
  – Deposit or Letter Agreement or Purchase Order
  – Payment after reports received
Negotiating Tips – Hotel Contract Template

• Function Space
  – Correct agenda with room names?
  – 24 hold?

• Conflict Avoidance
  – Specify groups

• Reassignment of Space
  – No reassignment without prior written consent

• Quiet Enjoyment
  – Cover noise, odors, dust
Negotiating Tips – Hotel Contract Template

• Audio-Visual Equipment Rental
  – Exclusives?
  – Use of group’s equipment

• Room Block Attrition
  – Right to reduce before?
  – Minimum pickup
  – Per night or cumulative?
  – Dollar multiplier – lost profit vs. lost revenue
  – Treatment of resold rooms
  – Right to audit pickup and resell numbers
  – Credit for all group rooms regardless or rate paid or method of reservation
Negotiating Tips – Hotel Contract Template

• Food and Beverage Pricing
  – When established?

• Food and Beverage Attrition and Cancellation
  – Minimum guarantee
  – Exclusive or inclusive?
  – Sponsor/Affiliate income
Negotiating Tips – Hotel Contract Template

• Service of Alcoholic Beverages
  – Training
  – Service Standards
  – Indemnification
  – Hospitality Suites

• Hotel Duties and Responsibilities
  – Focus on safety, quality of service
Negotiating Tips – Hotel Contract Template

• Americans with Disabilities Act
  – Hotel obligations vs. group obligations
  – Avoiding problems

• Use of Outside Vendors
  – Define by category

• Security
  – Planning and management
  – Key access
Negotiating Tips – Hotel Contract Template

• Insurance
  – Amounts and Types
  – Exhibitor obligations?

• Indemnification
  – Good and bad words
  – Mutuality
Negotiating Tips - Hotel Contract Template

Rights of Termination

• **Force Majeure**
  – “Grocery list” with “catch all” statement
  – Standard of impact
  – Perform anyway

• **Unavailability of Convention Center**
  – Unavailable or unsuitable (outgrow) space
Negotiating Tips - Hotel Contract Template
Rights of Termination (Cont’d)

• Financial Difficulties
  – Hotel or group problems

• Deterioration of Quality
  – Determine standard
Negotiating Tips - Hotel Contract Template

Rights of Termination (Cont’d)

• Site Inspection
  – Establish time frames
  – Written notice of cancellation

• Construction or Renovation
  – Notice
  – Group gets to decide whether construction will impact its meeting
  – Specific representations for known construction projects
Negotiating Tips - Hotel Contract Template

Rights of Termination (Cont’d)

• Strike or Labor Dispute
  – Cover both legal strikes as well as any type of labor dispute

• Disruption in Services
  – Notice and right to decide if it will impact meeting

• Change in Management
  – Could be management company or rebranding of hotel within management company family
Negotiating Tips - Hotel Contract Template

Rights of Termination (Cont’d)

• Cancellation by Group
  – Sliding scale
  – Negotiate date parameters
  – Fee based on lost profit or revenue? Include food and beverage?

• Cancellation by Hotel
  – “Grocery list” approach
  – Include indirect and consequential damages and attorney’s fees
What Else is On Your Mind?

Questions: Email: nra@howehutton.com

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