

Connections Matter

MPINCC Annual Conference & Expo 2014



NORTHERN CALIFORNIA
CHAPTER
MPI
MEETING PROFESSIONALS INTERNATIONAL

“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

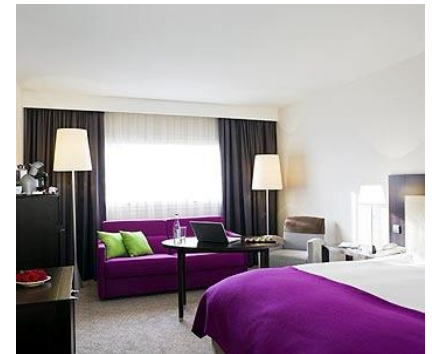


Negotiating Tips – “Big Picture”

- 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

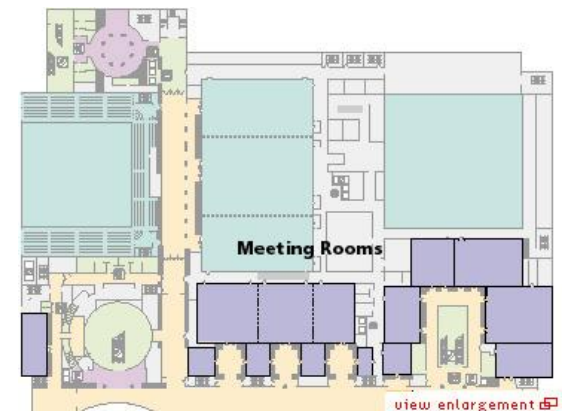
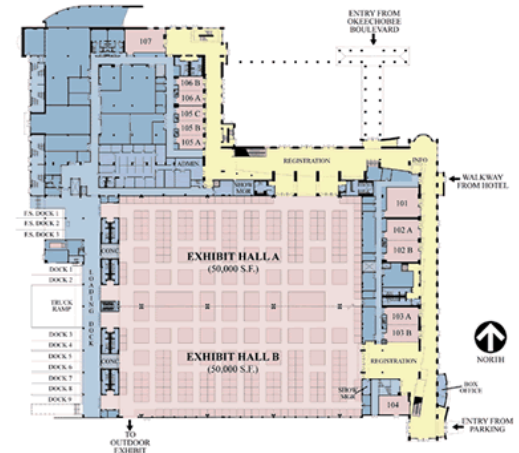


Negotiating Tips –Hotel Contract Template

- 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 of 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



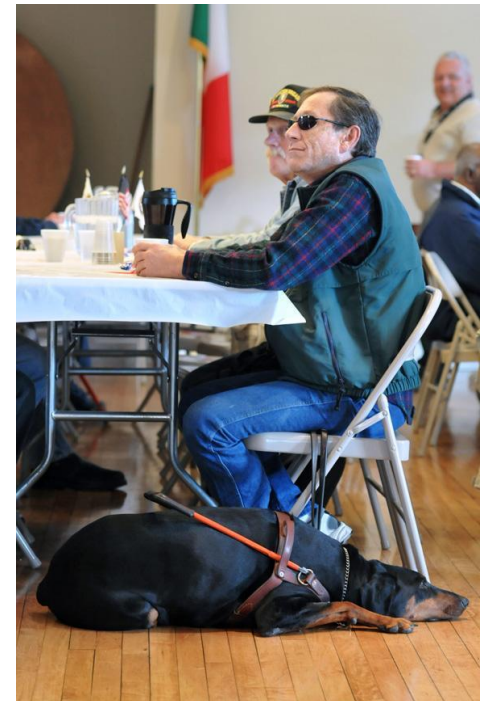
Negotiating Tips –Hotel Contract Template

- 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

GOOD
NEWS,
BAD
NEWS

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)

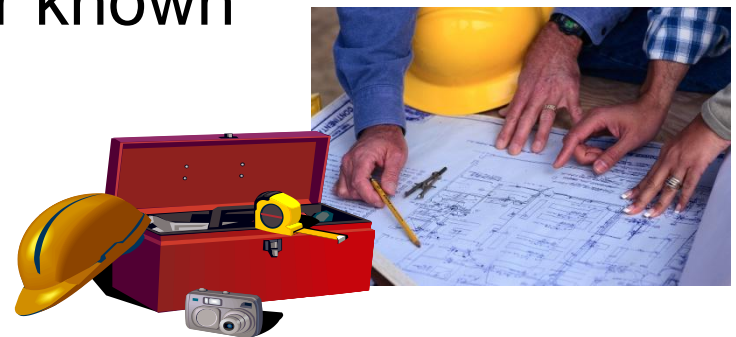
- Financial Difficulties
 - Hotel or group problems
- Deterioration of Quality
 - Determine standard



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



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What Else is On Your Mind?



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NAOMI R. ANGEL is a partner with Howe & Hutton, Ltd., a law firm that specializes in the representation of individuals, firms and organizations in the travel, tourism, hospitality, incentive and meetings industries, as well as not-for-profit organizations, including trade associations, professional societies and other related organizations. Naomi works with individuals and organizations in the meetings, travel and hospitality industries, including corporate and independent planners. Additionally, she serves as General Counsel to national and international trade associations of manufacturers, suppliers, and professionals, providing guidance in the areas of antitrust, intellectual property, standards development, certification and accreditation, governance, contracts, international organizational issues, product liability, and risk management.

Naomi has appeared before federal and state agencies and worked with national research laboratories, advocating positions on behalf of client associations. She is a trained mediator with extensive commercial litigation experience at state and federal levels, and is admitted to practice before the Supreme Court of Illinois; the Trial Bar of the U.S. District Court, Northern District of Illinois; and the U.S. Court of Appeals, Seventh and Federal Circuits.

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