Using Competitive Analytics To Leverage Your Buying Power
GOALS

- Understand how to leverage technology to make better business decisions
- Examine metrics to define, measure and report success
- Learn methods to leverage total spend for added meeting value / cost savings
- Demonstrate real meeting value to senior management
AGENDA

- Definitions – Set the stage
- Brain Break – Group Discussion
- Reporting Examples
- Brain Break – Group Discussion
Strategic Meeting Management (SMM) Lifecycle

Components of a Best in Class Strategic Meetings Management Program (SMMP)

- Registration of Meeting / Event
- Approval
- Technology
- Sourcing / Procurement
- Planning / Execution
- Payment / Expense Reconciliation
- Data Analysis / Reporting

Policy

Strategy
Definitions

**Business Intelligence** – Information to help you make better business decisions.

**Data Analysis** – The process of evaluating data using analytical and logical reasoning to examine each component of the data provided.

**Competitive Analysis** – Being able to capture business intelligence that will allow for data analysis that will put you in a position to compete in the marketplace with a competitive advantage.

“High performing companies are using analytics to beat their competition hands down” – *Competing on Analytics*
Four Pillars of Analytical Competition

- Distinctive capability
- Enterprise-wide analytics
- Senior management commitment
- Large-scale ambition
Example
TRENDS – Actualized Spend with ABC Hotel Chain

- 2009: $ -
- 2010: $500,000.00
- 2011: $900,000.00
- 2012: $1,200,000.00

Spend
Analytical Tools Available

Event Planner

Hotelier
BRAIN BREAK
Sourcing

GROUP DISCUSSION
RFP’S
SOURCING SCENARIOS

- Always go to the same hotel
- Call a select number of hotels to check availability
- Send out an RFP via Email to your GSO who then distributes the RFP to the hotels
- Send Specs to CVB and get responses
- Use an eRFP engine to manage eRFP’s
SOURCING – Examples

- Easy access to Previous Meeting Information
- Current Response Rates / Budgets from other RFP’s
- Access to Procurement / Business Travel Room Rates / Spend for comparison
- Planners in your organization are holding space at the same property
SOURCING – Group Discussion

- How do you Source?
- How do you access information about your meetings?
  - Budgets
  - Specs
  - Contracts
Reporting

**Competitive Analysis** – Being able to capture business intelligence that will allow for data analysis that will put you in a position to compete in the marketplace with a competitive advantage.

“High performing companies are using analytics to beat their competition hands down” – *Competing on Analytics*
Five Stages of Analytical Competition

- **Stage 1**: Analytically impaired
- **Stage 2**: Localized Analytics
- **Stage 3**: Analytical Aspirations
- **Stage 4**: Analytical Companies
- **Stage 5**: Analytical competitors
RFP Response Report

- Side by Side Comparison Grid?
- Include Avg Contracted Rate by supplier by date?
- Include Avg Response Rate from other colleagues?
- Include Pre Negotiated Rate information
How do you know if someone in your organization is not already holding space at the same hotel over similar dates?

<table>
<thead>
<tr>
<th>RFP</th>
<th>REQUESTED</th>
<th>MTG DATES</th>
<th>CLIENT</th>
<th>PLANNER</th>
<th>RATE/ROOMS</th>
<th>EST. SPEND</th>
</tr>
</thead>
</table>
Previously Contracted Spend Information

- Can you access previously contracted spend at a supplier easily?
- Can you access previously countersigned contracts easily?

<table>
<thead>
<tr>
<th>EVENT DATES</th>
<th>COMPANY</th>
<th>EVENT NAME</th>
<th>EST. SPEND</th>
<th>ATTACHMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Nov 21, 2012 - Nov 25, 2012</td>
<td>2012 Board Meeting</td>
<td>$ 99,165.00 USD</td>
<td>$183.00 USD</td>
<td>100 attendees</td>
</tr>
<tr>
<td>2. Jun 28, 2012 - Jun 30, 2012</td>
<td>2012 Leaders Strategy Conference</td>
<td>$34,470.00 USD</td>
<td>$195.00 USD</td>
<td>100 attendees</td>
</tr>
<tr>
<td>3. Jan 26, 2010 - Jan 27, 2010</td>
<td>2010 - SLO Senior Leadership M</td>
<td>$27,216.00 USD</td>
<td>$149.00 USD</td>
<td>116 attendees</td>
</tr>
<tr>
<td>4. Jan 25, 2010 - Jan 28, 2010</td>
<td>2010 Senior Leadership Meeting California</td>
<td>$14,860.00 USD</td>
<td>$149.00 USD</td>
<td>100 attendees</td>
</tr>
<tr>
<td>5. Oct 20, 2008 - Oct 24, 2008</td>
<td>2008 Internal Communications Meeting</td>
<td>$56,355.00 USD</td>
<td>$195.00 USD</td>
<td>73 attendees</td>
</tr>
<tr>
<td>6. May 18, 2009 - May 21, 2009</td>
<td>2009 Team Meeting</td>
<td>$35,026.00 USD</td>
<td>$199.00 USD</td>
<td>80 attendes</td>
</tr>
<tr>
<td>7. Jul 12, 2004 - Jul 14, 2004</td>
<td></td>
<td>$7,344.00 USD</td>
<td>$153.00 USD</td>
<td>16 attendees</td>
</tr>
<tr>
<td>8. Jul 7, 2004 - Jul 9, 2004</td>
<td></td>
<td>$22,850.00 USD</td>
<td>$153.00 USD</td>
<td>50 attendees</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>8 meetings</strong></td>
<td><strong>$ 298,186.00 USD</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
RFP Volume of Opportunity

Do you know the volume of opportunities you are providing your Suppliers?

<table>
<thead>
<tr>
<th>RFP Activity by Chain</th>
<th>Rooms</th>
<th>Est. Meeting Spend</th>
<th>Est. Hotel Spend</th>
<th>Est. Total Spend</th>
<th>RFPS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Marriott International</td>
<td>120,087</td>
<td>$36,000 USD</td>
<td>$25,094,317 USD</td>
<td>$25,130,317 USD</td>
<td>85</td>
</tr>
<tr>
<td>2. Hilton Worldwide</td>
<td>119,220</td>
<td>$36,000 USD</td>
<td>$25,053,828 USD</td>
<td>$25,089,828 USD</td>
<td>76</td>
</tr>
<tr>
<td>3. Starwood Resorts</td>
<td>113,998</td>
<td>$0 USD</td>
<td>$24,087,035 USD</td>
<td>$24,087,035 USD</td>
<td>81</td>
</tr>
<tr>
<td>4. Intercontinental Hotels Group</td>
<td>110,728</td>
<td>$36,000 USD</td>
<td>$23,647,079 USD</td>
<td>$23,683,079 USD</td>
<td>52</td>
</tr>
<tr>
<td>5. Hyatt Hotels and Resorts</td>
<td>92,056</td>
<td>$36,000 USD</td>
<td>$19,113,741 USD</td>
<td>$19,149,741 USD</td>
<td>70</td>
</tr>
<tr>
<td>6. Omni Hotels</td>
<td>70,631</td>
<td>$0 USD</td>
<td>$15,355,373 USD</td>
<td>$15,355,373 USD</td>
<td>39</td>
</tr>
<tr>
<td>7. Loews Hotels</td>
<td>54,831</td>
<td>$0 USD</td>
<td>$11,463,674 USD</td>
<td>$11,463,674 USD</td>
<td>23</td>
</tr>
<tr>
<td>8. Kimpton Group</td>
<td>42,266</td>
<td>$0 USD</td>
<td>$9,833,841 USD</td>
<td>$9,833,841 USD</td>
<td>9</td>
</tr>
<tr>
<td>9. Fairmont Hotels and Resorts</td>
<td>38,391</td>
<td>$36,000 USD</td>
<td>$7,902,797 USD</td>
<td>$7,938,797 USD</td>
<td>36</td>
</tr>
<tr>
<td>10. Peabody Hotel Group</td>
<td>29,603</td>
<td>$0 USD</td>
<td>$6,087,952 USD</td>
<td>$6,087,952 USD</td>
<td>15</td>
</tr>
</tbody>
</table>
**Contracted Spend by Chain By Year**

Do you know your contracted spend by chain by year?

Year Awarded: **2012**

Values shown as USD

<table>
<thead>
<tr>
<th>CHAINS</th>
<th>ROOMS</th>
<th>AVG. ROOM RATE</th>
<th>EST. HOTEL SPEND</th>
<th>EST. MEETING SPEND</th>
<th>EST. TOTAL SPEND</th>
<th>CONTRACTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Starwood Resorts</td>
<td>19469</td>
<td>$173</td>
<td>$3,365,068</td>
<td>$1,614,700</td>
<td>$4,979,768</td>
<td>21</td>
</tr>
<tr>
<td>2. Marriott International</td>
<td>9587</td>
<td>$196</td>
<td>$1,879,203</td>
<td>$866,016</td>
<td>$2,745,219</td>
<td>30</td>
</tr>
<tr>
<td>3. Hyatt Hotels and Resorts</td>
<td>6330</td>
<td>$193</td>
<td>$1,222,594</td>
<td>$480,798</td>
<td>$1,703,392</td>
<td>18</td>
</tr>
<tr>
<td>4. Hilton Worldwide</td>
<td>5853</td>
<td>$217</td>
<td>$1,272,315</td>
<td>$327,198</td>
<td>$1,599,512</td>
<td>29</td>
</tr>
<tr>
<td>5. Omni Hotels</td>
<td>4553</td>
<td>$208</td>
<td>$945,257</td>
<td>$351,500</td>
<td>$1,296,757</td>
<td>6</td>
</tr>
<tr>
<td>6. * Independent</td>
<td>3056</td>
<td>$227</td>
<td>$694,158</td>
<td>$173,500</td>
<td>$867,658</td>
<td>20</td>
</tr>
</tbody>
</table>
**Actualized Averages**

Do you know your actualized Averages?

<table>
<thead>
<tr>
<th>Actualized Events (Cumulative)</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Spend</strong></td>
<td>$151,378,295 USD</td>
<td>Contracts Actualized</td>
</tr>
<tr>
<td><strong>Spend Per Year</strong></td>
<td>$15,137,830 USD</td>
<td>Contracts Per Year</td>
</tr>
<tr>
<td><strong>Average Spend Per Meeting</strong></td>
<td>$91,192 USD</td>
<td>Room Pickup</td>
</tr>
<tr>
<td><strong>Room Spend</strong></td>
<td>$108,198,383 USD</td>
<td>Meeting Spend</td>
</tr>
<tr>
<td><strong>Total Rooms</strong></td>
<td>570549</td>
<td>Rooms Per Year</td>
</tr>
<tr>
<td><strong>Room Rate Average</strong></td>
<td>$192 USD</td>
<td>Room Rate Max</td>
</tr>
<tr>
<td><strong>Rooms Per Meeting Average</strong></td>
<td>349.73</td>
<td>Rooms Per Meeting (MIN-MAX)</td>
</tr>
<tr>
<td><strong>Rooms Per Night Average</strong></td>
<td>49.87</td>
<td>Rooms Per Night (MIN-MAX)</td>
</tr>
<tr>
<td><strong>Average Days Per Meeting</strong></td>
<td>5.12</td>
<td>Max Days Per Meeting</td>
</tr>
<tr>
<td><strong>Attendees Per Meeting Average</strong></td>
<td>133.55</td>
<td>Attendees Per Meeting (MIN-MAX)</td>
</tr>
<tr>
<td><strong>Total Attendees</strong></td>
<td>206325</td>
<td></td>
</tr>
</tbody>
</table>
BRAIN BREAK

Sourcing

GROUP DISCUSSION

Contracts
HOTEL CONTRACTING

- Access to Previous Countersigned Contracts
- Custom Contract Template
- Clauses
- Addendum
- Business Intelligence: Negotiations
- Business Intelligence: Leveraging Spend
CONTRACTING TRENDS

- Forget location – demand, demand, demand

- 1 Billion room nights sold in 2011 – surpassing 2007 record by nearly 20 million room nights


- RevPar jumped to $61 in 2011, up 8.2% compared to 2010
  - Biggest increase since 2005 when revenue rose 8.6%

- Increased demand in corporate & association meetings / increased attendance

- Greatly reduced new hotel inventory / sleeping rooms in all brands

- Hotel refocus on revenue management to maximize profitability

Source: LA Times June 2011
CONTRACTING – Group Discussion

- What tools or resources do you use for your hotel contract negotiation process?

- Do you have a custom contract Template? Addendum? Hotel Contract?

- How do you document your cost savings and risk reductions? Who do you share it with? How do you use this information?
Resources

Thomas Davenport

[Images of books: "Competing on Analytics: The New Science of Winning" and "Analytics at Work: Smarter Decisions, Better Results"]
Complimentary Planning Resources

- Hotel Contract Negotiations Top 10 Tips
Contact

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