



Where The World Meets

The Global Meetings & Events Exhibition

Fira Gran Via, Barcelona, Spain

30 November - 2 December 2010

Housing Management? A Permanent Issue Who should have control? Who should benefit?

Speakers:

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Vice President, IAPCO; Operations Director, Tilesa Kenes, Spain

Chair:

Philippe Fournier

President, IAPCO; Managing Director, MCI Paris, France

Transparency and Compliance at Association Congress & Meetings

Housing management – a permanent issue.

Who should have control?

Who should benefit

A Pharmaceutical Industry Perspective



By Martin N Jensen, MSc Int. Hospitality Mgt

Head of International Congress & Events

H. Lundbeck A/S

EXCELLENCE IN GLOBAL HEALTHCARE CONGRESSES

- **26 member companies globally**
- **+ 70% of world healthcare market (IMS)**
- **Encompasses Pharmaceutical, Imaging and Diagnostic industries**
- **Established for 21 years (1989)**

IPCAA

- Objectives



- **Share information and support member education**
- **Develop standards and guidelines to the benefit of all stakeholders in the congress industry**
- **Encourage scientific objectivity**
- **Promote high quality congress and exhibition venues**

Budgets...



Does the Pharma Industry have the same budgets???

- **Yes, more or less**

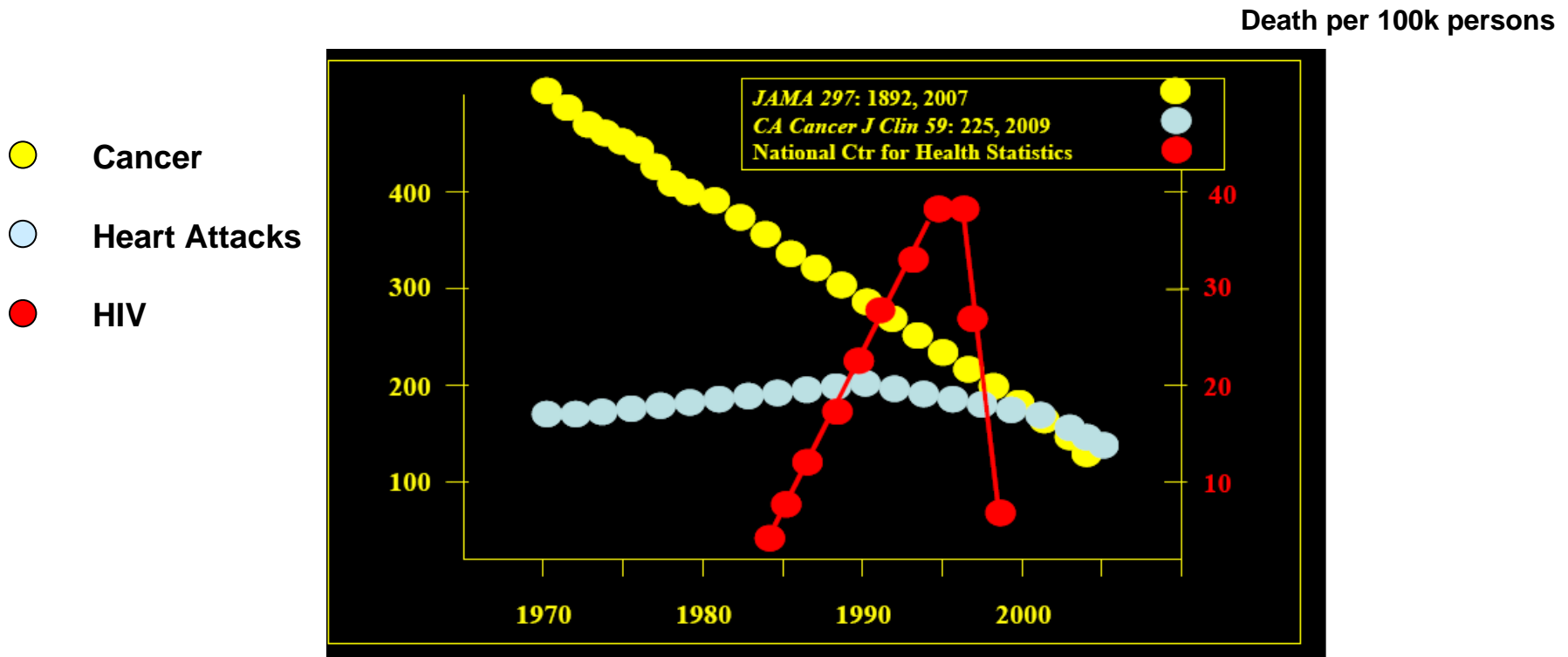
Can we spend it as we used to?

- **No...**

Background



- **Pharmaceutical Industry has one aim:**
 - Increase the quality of living for our patients

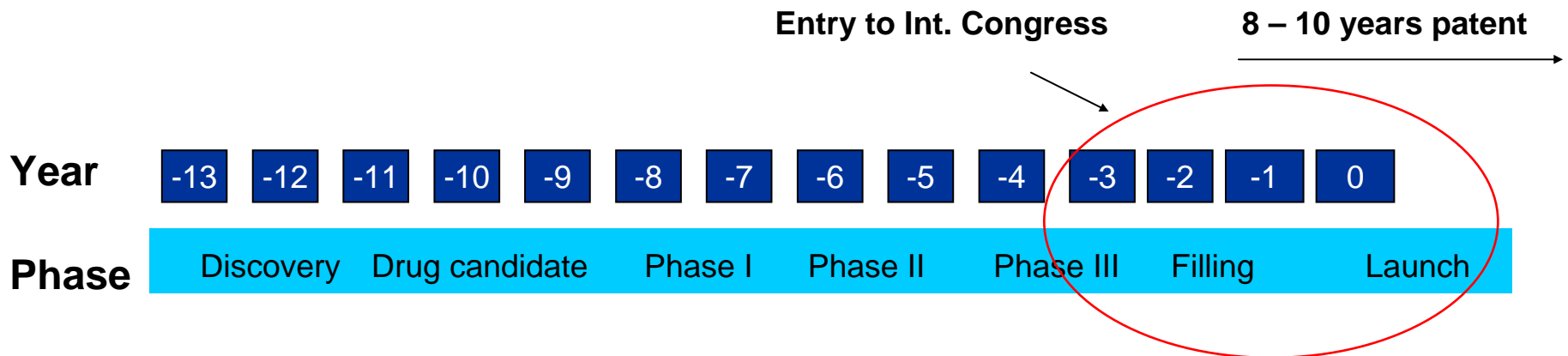


Ref, Stossel, T, 2010, *Commercialism in Healthcare – sin or salvation*

Background



- **Cost of entry to market**
 - US\$ 1.3 billion
 - Only 1 out of 50.000 molecules makes entry



- **EFPIA & IFPMA Code of conduct**
 - Self regulating and imposed by the Industry

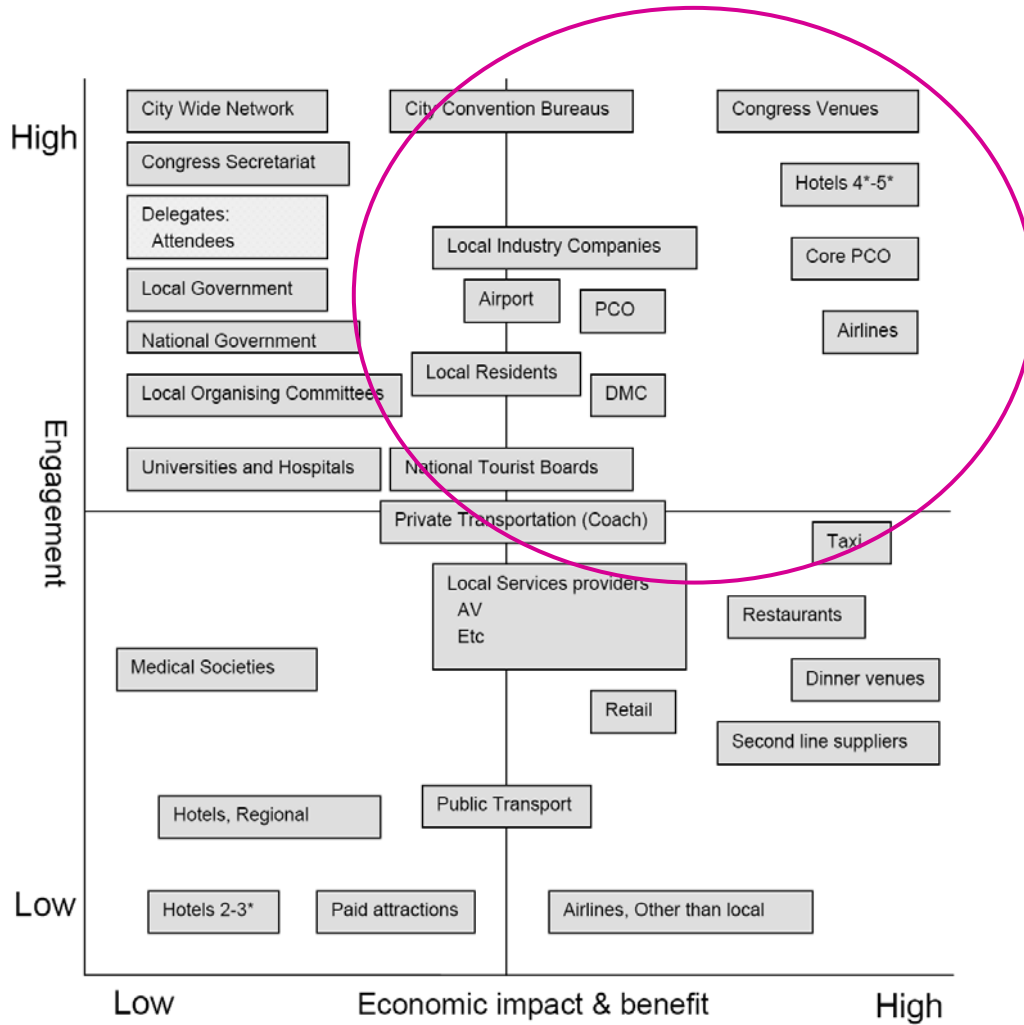
Present situation – Industry

- Why not?



- **No more blockbusters**
- **Most drugs have been developed, only a few big disease areas still to have break through**
- **Shift of spend – from marketing to R&D**
- **Cut in some budgets**
- **Regulations from external and internal partners**
- **R&D based not marketing led. The industry with the highest spend on R&D as a % of turnover**
- **Under scrutiny – internal regulatory, competitors & press**

Recent Study (1)



Ref, Jensen, M, 2010, *A Stakeholder analysis of the economic benefits of an International Congress*

Present situation - Congress



- **An increase in numbers of larger congress is seen**
- **The average spend pr delegate is increasing**
- **The marked is worth more than 11 billion US\$***

- **However, future could see less participants**
 - **Sunshine act**
 - **Limits of spend for sponsors**
 - **Loss of patents – loss of funds to invest**

* ICCA 2010

Need for transparency – WHY?

- HCA Housing Guidelines



- **Compliance and transparency goes hand in hand together with transparency**
- **With increasing legislative and regulatory emphasis on transparency requirements in interactions between healthcare industry and Healthcare Professionals, all aspects of congress-related accommodation agreements must be readily available on request to all involved industry sponsors.**

HCA, October 2010

Current issue within transparency



Compliance – Housing

- No resorts
- No 5 star hotel
- No spouses
- Limitation on hospitality
- All meetings signed off by
 - Global
 - Host Country
 - Home country of del.

Issues Housing

- Rates
- “High” profit margins
- Management fees
- Commissions
 - Hotels vs PCO
 - PCO vs Associations
 - Hotels vs City
- Brokers – 3rd party agencies

Case (Housing): Vienna



GDI Rooms Available Message (HTML)

You forwarded this message on 02-11-2010 10:42.

From: Kathy Pearsall [kathy@globaldynamix.ca]
To: Martin N. Jensen
Cc:
Subject: GDI Rooms Available -

2012

ID	IN DATE	OUT DATE	HOTEL	RATING	DISTANCE TO CONGR
2K08	Oct-13-12	Oct-17-12	HOTEL LE MERIDIEN	5 STAR	16 MIN
2K09	Oct-13-12	Oct-17-12	NH DANUBE CITY	4 STAR	CONVENTIO
2K10	Oct-13-12	Oct-17-12	COURTYARD BY MARRIOTT WIEN MESSE	4 STAR	8 MIN
2K11	Oct-13-12	Oct-17-12	HOTEL K+K MARIA THERESIA	4 STAR	15 MIN
2K12	Oct-13-12	Oct-17-12	HOTEL ASTORIA	4 STAR	16 MIN
2K13	Oct-13-12	Oct-17-12	HOTEL EUROPA	4 STAR	17 MIN
2K14	Oct-13-12	Oct-17-12	HOTEL RATHAUSPARK	4 STAR	13 MIN
2K15	Oct-13-12	Oct-17-12	HOTEL NOVOTEL	4 STAR	6 MIN
2K16	Oct-13-12	Oct-17-12	HOTEL AM KONZERTHAUS	4 STAR	11 MIN
2K17	Oct-13-12	Oct-17-12	MERCURE GRAND BIEDERMEIER	4 STAR	10 MIN
2K18	Oct-13-12	Oct-17-12	MERCURE WIEN ZENTRUM	4 STAR	9 MIN
2K19	Oct-13-12	Oct-17-12	MERCURE JOSEFSHOF	4 STAR	14 MIN
2K20	Oct-13-12	Oct-17-12	MERCURE IMLAUER WIEN	4 STAR	8 MIN
2K21	Oct-13-12	Oct-17-12	HOTEL REGINA	4 STAR	13 MIN
2K22	Oct-13-12	Oct-17-12	HOTEL ROYAL	4 STAR	14 MIN
2K23	Oct-13-12	Oct-17-12	HOTEL BELLEVUE	4 STAR	10 MIN
2K24	Oct-13-12	Oct-17-12	HOTEL KAVALIER	4 STAR	23 MIN
2K25	Oct-13-12	Oct-17-12	HOTEL ROOMZ	4 STAR	11 MIN
2K26	Oct-13-12	Oct-17-12	HOTEL FALKENSTEINER SCHOTTENFELD	4 STAR	17 MIN
2K27	Oct-13-12	Oct-17-12	PARKHOTEL SCHOENBRUNN	4 STAR	24 MIN
2K28	Oct-13-12	Oct-17-12	HOTEL FALKENSTEINER PALACE	4 STAR	17 MIN

- No rooms available directly
- Official Housing not yet finally negotiated
- Increased rates
- Lack of transparency
- Lack of control of room blocks
- Who is the end client
- No Consideration of corporate relationship

start | EIBTM_2010_Transp... | ICCA Hydrabad Panel... | Housing TF - Microsof... | Calendar - Microsoft... | GDI Rooms Available... | DA Links | 11:36

Recommendation



- **Evolve around CVB's - they are the neutral stakeholder and have only limited financial interests**
- **Include the industry**
- **Taskforce for bidding and handling**
- **Consider format of meetings**
- **Work together**
- **Know and acknowledge the clients**
- **Ensure transparency at all levels**
 - **regardless of profit margins!**

Housing management – a permanent issue.

Who should have control?

Who should benefit

How do we, the payers, benefit?



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What is a congress for ACCOR ?

Xavier Guillemin

Sales Director, MICE-International, ACCOR Hotel Group



ACCOR Network for the congress market

- Congress Hotels : 70 hotels with a minimum meeting capacity of 250 participants based in 22 countries in 3 continents
- Hotel capacity from 2 to 5 stars within the 5 TOP ICCA destinations 2009
 - Vienna 15 hotels with 2.500 rooms
 - Barcelona 7 hotels with 1.000 rooms
 - Paris 140 hotels with 22.000 rooms
 - Berlin 20 hotels with 3.500 rooms
 - Singapore 3 hotels with 1.500 rooms

How ACCOR works with this market ?

- As knowledge is on the PCO's side, our sales forces are dedicated to PCOs
- New global & national deal with PCOs focusing on a selected list of hotels (almost 600 hotels)

Issues on the Congress market for ACCOR

- Long term business (difficulty to forecast meeting and accommodation occupancy and rates)
- Different distribution channels
- Commitment to several markets (Leisure, Corporate, Airlines ...)

- **Next steps ...**

- Develop new capacities for congress destinations (30 to 40.000 rooms per year)
 - Sofitel : 9 openings by end of 2011 including Sofitel Vienna Stephansdom(182 rooms) & Sofitel Bangkok Sukhumvit (345 rooms)
 - Pullman : 26 hotels with 8.000 rooms in Asia in the next 4 years
- Internal training for sales forces and Hotel staff to develop MICE knowledge with a focus on Congress
- New MICE Terms & Conditions for hotels taking into account Congress market specificities



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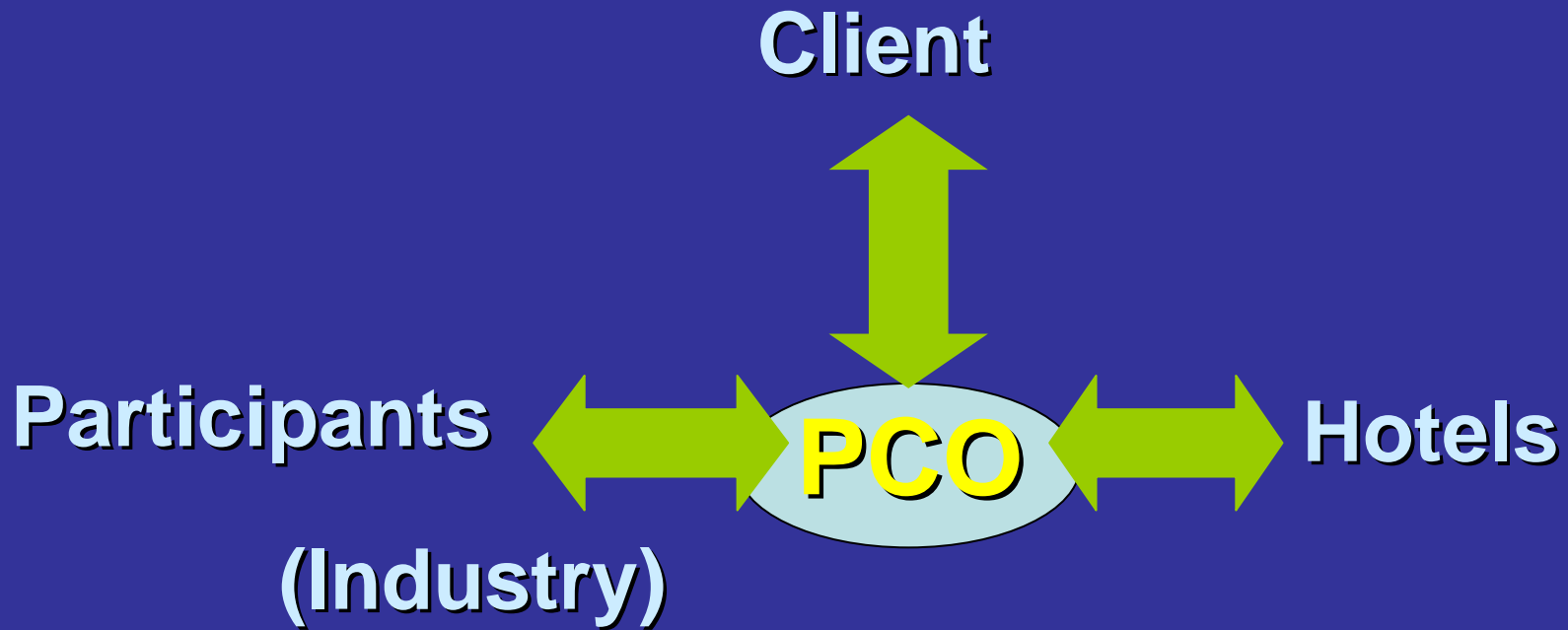
PCOs and ACCOMMODATION

Gonzalo Perez Constanzó

Vice President, IAPCO; Operations Director, Tilesa Kenes, Spain



Accommodation - The Actors



The PCO

- Wants to provide a service to the participants
- Has to secure sufficient accommodation
- Accommodation generates income
 - For the Hotel
 - For the PCO
 - For the Association

Accommodation – The Process

- Research
- Shortlist hotels
- Create room blocks
- Negotiate rates, contracts, terms and conditions
- Create booking facility
- Distribute hotel information to participants
- Create and update rooming lists

PCO Tasks

- Realistic estimate of rooms needed
- Ensure availability
- Get as many rooms as possible in strategic hotels
- Meet needs of all players
- Competitive conditions & rates
- Sign contracts
- Minimise own costs and resources
- Minimise the risk
- Transparency

Every congress is different

... and so are the congress participants, the delegate profile and their behaviour



In a congress of 1,000 participants we have
1,000 individual clients, with
their own needs and requirements.

Housing – The Process

- PCO handles reservations
- On-line booking platform
 - provide participants with links to selected hotels
 - these hotels will handle participants directly and pay a commission to the PCO

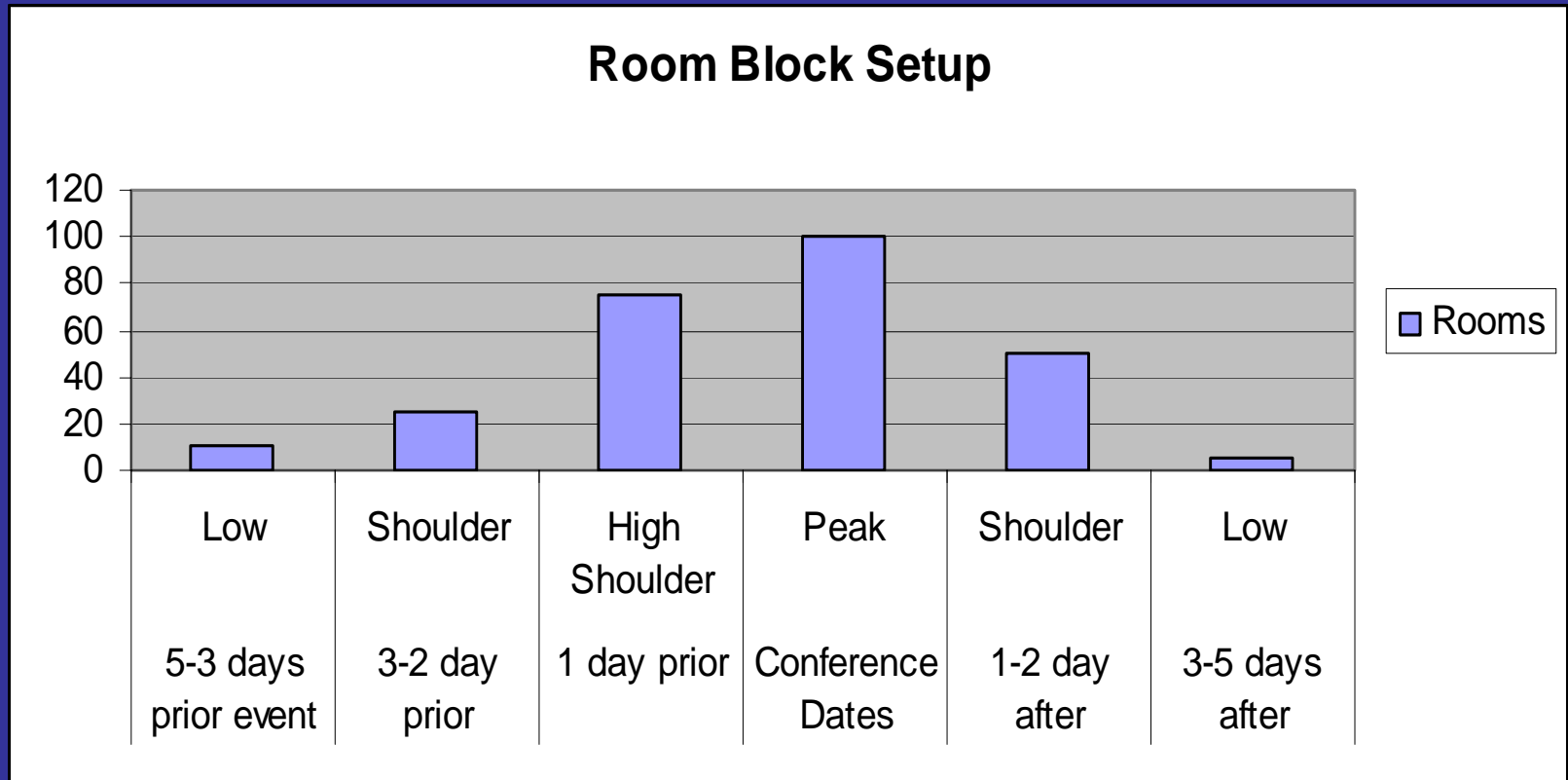
Housing – The Process

Create and manage room blocks

Statistics required:

- average length of stay
- international participant arrival dates
- national participant length of stay
- how many rooms are needed
at each star rating / price point?

Sample Room Block Set Up



A Congress = A Group?



The individual decides:

- To attend the congress
- When to arrive and when to depart
- Where to stay
- Which type of accommodation

Challenges for the PCO

- Over-bookings
- Dealing with many different hotel policies
- How to anticipate and determine the real demand
- Lack of understanding of each others business
- PCO needs to know and promote rates long time in advance
- Lower rates on the internet
- Financial Responsibility
- High turnover of hotel staff ...

The impossible dream?

PCOs and Hotels have 2 common objectives

Satisfied clients /guests

Financial reward

***How can we improve the relationship and
the final outcome?***

Developing relationship

Educate each other...

- Getting to know the hotel facilities
- Introduction of PCO work, the congress profile and its detailed requirements
- Understand Hotel pressures

Developing relationship

A better and more fluent communication

- To know each other in person
- Develop a “give and take” minded attitude
- Constant update on event evolution

Developing relationship

Information sharing

- Real pick-up
- Overbookings

Trust is the key for a good business relationship

Developing relationship

Event follow-up

- Post-mortem meeting
- Fast and accurate invoicing / payment
- Joint sales trips, marketing activities

CONCLUSION

Our common objective is to develop a successful relationship on an industry and destination level

Together, we will be stronger.

Profitable and rewarding