



HBAA

ACCOMMODATION CONFERENCES MEETINGS EVENTS

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Man can only learn in two ways, one by reading and the other by **“Association”** with smarter people.

“The Future of Booking Venues”



Commentary and quotes from individuals operating within the HBAA & the MICE (Meetings, Incentive, Conference & Events) Industries. Covering the future of booking meetings & conferences.

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From the Executive Director

When we decided to start publishing white papers we thought we should go in to the deep end and start with a major topic - "The Future of Booking Venues". The timing seemed right - with unprecedented focus on "MICE" as a part of Travel procurement and developments in both transaction and communication technology beginning to have a major impact on the landscape.

The challenge in writing a paper like this is to make sure it is comprehensive and insightful, with enough "bite" to reward the reader for time spent whilst keeping it concise and focussed. Richard and Andrew from Inkerman Associates have done a superb job in delivering this brief on such a broad and wide ranging subject without running to a tome the size of *"The Encyclopaedia Britannica"*

As you can imagine the articles that follow demonstrate the various opinions but technology always returns as the area that will deliver the greatest impact that all of us will operate and manage MICE long into the future. One interesting quote (*left margin from Robbert-Jan*) regarding the future of WEB 2.0 technologies in travel marketing highlighted a view that I feel we should ignore at our peril !

Our thanks and appreciation goes to the various respected industry commentators for their wise and constructive comments. Many provided us a valuable insight into what they thought the future might hold, unfortunately some, due to company policy, are unable to attach their identity against a comment.

It is our ambition to publish further White Papers in the coming year, and we have identified a number of topics that we feel require exploration. I will welcome your comments on this Paper, and on other topics that you feel may be suitable future studies.

Some examples -

- Terms & Conditions
- Commission v Management Fees
- Payment Methods / Bill back
- Accreditation
- Tenders / Request for Information / E-Auctions
- Data Security
- CSR (Corporate Social Responsibility)
- ROI - (Return on Investment)



Peter Ducker
Executive Director HBAA

"It will be important in future to have a digital site visit but the problem is you only see the facilities, you cannot feel, touch or fully experience them! **As yet you can't download personality from the internet.**"

**Robbert-Jan Mienardi -
Grand Hotel
Huis ter Duin
(Netherlands)**



From the Chairman

Welcome to our first White Paper.

It is always great to be part of a new project especially when it is crucial to the industry to ensure Members, Partners and Corporates have a reference regarding methodology and working practice.

The future of the conference industry has been discussed and researched in great depth through the 3 corners of our booking triangle.

Unlike the Bermuda Triangle we will not disappear but grow through our knowledge and understanding!!



**Sue Burgess
Chairman HBAA**

September 2008

Quick Glance for the Future

KEY MESSAGES FROM THE PANEL

- Embrace future Technology and the next generation who understand it.
- Technology will be a major influence in MICE but not the total solution.
- Agents need to adapt where possible to a Management Fee structure and demonstrate their value in the chain.
- Corporates must recognise and be prepared to pay for the service and values provided.
- Associations and the industry must communicate and work together for successful results.

"Over the past 10 years the single most obvious change has been the focus this sector has received from travel management in general - whilst there are differences between MICE and business travel there's too many obvious connections to consider - both as separately, as the market has."

Paul Tilstone
Executive
Director
ITM



Overview from the Editor

The future of booking venues within the MICE market is moving towards achieving a balance between human logistics and business strategy. The complexity, commercialism and demands of industry nowadays have created a procurement environment where many questions have to be answered and justified before the solution can be delivered.

"Why do we need a meeting"? "What are our objectives"? "What is the budget"? "Who should attend"? Was that a good meeting? And so on.

The question from the agent, hotel and venue side of the industry is - "How are we going to manage these ever increasing demands with a consistently decreasing margin equation"?

Is investment in, and adoption of, technology the solution? - I think it is one of several answers, but definitely not the total solution. Away from the basic booking process, technology will assist in reducing cost, resource and time in areas such as document sharing (room lists, dietary, delegate profiles, invitations / diary management, registrations, questionnaires, management information and evaluation).

It has been interesting interviewing the industry and listening to differing and mixed opinions. For example, on the subject of Online Meeting Booking solutions, everyone is currently talking about it, no one is denying it is not going to happen and influence the future, but even though there are technology led companies stating they have the solution, no-one can demonstrate the total solution for many reasons. There just is not one system that the whole industry can plug into and start processing the booking enquiries. The cost of building your own solution at any point of the chain is prohibitive and unless you can access full live market inventory you're kidding yourself and your clients.

Throughout the chain the reasons are apparent, starting with Corporate Buyer / Procurement function. Whilst there is thought and demand, each organisation requires a different functionality, operates a different Preferred Programme and until there is a system that can deliver live availability and price structure across the entire market inventory; there will remain the "I want to speak to someone" scenario. In fact in 2007 only 10% of the UK's meeting stock was available online - and some of this was via a request platform. Until this is overcome and the MICE sector can electronically enter the Portal environment with all the other Travel components - the chain will struggle to effectively control and manage spend and policy.

Entering into the agency world, let's take the small to medium sized market, there is a clear apprehension to investment (no clear Return on Investment -ROI) but most worrying, there is a lack of understanding as to what actually the present and future possibilities are. In addition it is sometimes lack of understanding what the client is wanting. In reverse - some agents clearly appear to be disinterested in researching and advising their clients how and what they should be doing. This could eventually result in a model where a client uses an agent for larger more complex bookings, and then either connects direct to hotels / venues or via an alternative technology (GDS, Starcite, Arcaneo, etc) platform, missing the agent out all together.

Finally, the Hotel/Venue suppliers - they will continue to look at solutions (with larger Global Groups leading the way) but apart from the costs, it is evident that they will never let go of their inventory and will only drip feed an electronic meeting distribution system.

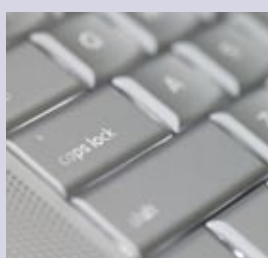
Additionally, for the technology to be successful, the rules of engagement would have to change, bookers using an online system would not be able to hold space indefinitely, (reducing the current issue of holding 1st, 2nd & 3rd options across the market), they would have to be prepared to confirm instantly, and adhere to cancellation terms! - I expect any PA/Booker, reading this, is already baulking at the idea, with the thought of the constant amendments, date changes and cancellations they experience.

But to me - what's the issue? This is what you accept everyday when buying in an online environment, i.e. a flight, e-bay, Amazon or tickets to a West End show. Some of you might state - that this is commoditising the Meetings Industry - it is not! Not every booking will be able to be made via online technology, but for the one's that can it is a matter of advancement, commercialism and efficiency.

Once the utopia of a system that can access "live" inventory has been delivered the issue of cultural changes and a combined education process through the chain, needs to be understood. Until this is accepted, no online solution will ever be successful or adopted.

"Increased use of the internet for online reservations which is trackable for clients, available 24/7, can be very cost effective, kept up to date and is a world-wide showcase for potential clients who are 'browsing'."

Tony Troy
CEO
Principal
Hayley Hotels
& Conference
Venues



"There are more and more sites offering an online 'live availability' service for meetings, but I have yet to find one with sufficient accurate information and availability for a large enough choice of venues for it to be taken seriously."

Angie Mason
Managing Director
Absolute
Corporate Events

Over the past few years, the issue of a combined management of internal meeting space and external solutions has been evident. Hotels and Venues actually predicted in some locations, a decrease in their business due to stronger management of utilising internal meeting rooms - but this actually hasn't happened.

Some Corporates have not been able to introduce a "stiffer" policy due to a multiple of reasons - one being that Senior Management do not lead by example and either monopolise all the space or just book outside policy to suit their diary and movements. Other Corporates have been successful and now have some extremely useful management information that demonstrates the buy-in and exceptions for Cost Centre managers to utilise effectively.

Richard Eades (Editor)
Inkerman Associates



(Telex Machine)

"Never before has there been such a wide gap in our marketplace, with the stronger getting ever stronger and the weaker less relevant. Having been on both sides of the fence - and after 20 years in the industry - my original skills and knowledge are all but redundant now and it is the responsibility of people like me to ensure that those coming up the ranks, and those behind them, are well versed and have the right attitude towards the business they are responsible for, if we as an industry are to survive and thrive. We need to be so much more knowledgeable now about business and technology as a whole, rather than hotel and venue specialists. The shape and size of things to come Those who can do and those that don't just chose to play!"

Angie Mason
Managing Director
Absolute
Corporate Events

Where Have We Been?

The infamous "credit-crunch" is currently having major influences not just on current business but on future forecasting, price structuring, decisions and strategy. However, within our industry over the past twenty years, we have experienced many periods of downturn and market uncertainty.



The first Gulf War is a good example to use as a starting point of the various knee jerk reactions - where we entered the unknown, hotels were dropping the rates and having an uncontrolled price war. Agents were panicking as overnight they were managing more cancellations and amendments than new enquiries. The corporates, whilst being steered by the "old school" experienced internal travel managers, were demanding more and more management information from along the chain to control the belt tightening.

This was before the connectivity and distribution channels we experience today. For those that recall, confirmations were via telex machines. It was clear that accurate data, communication (human and technical), yield and central controls throughout the chain to stabilise and manage market downturn or world event influences, would be required in future.

Fortunately the industry learnt fairly quickly and started to communicate (talk and listen) across all channels and discuss issues and solutions together. 9/11 and the second Gulf War demonstrated the progress that had been made. The industry, whilst not prepared for the events, was able to activate contingency plans and the market was able to work together.

Hotels looked at controlling their inventory and reacted with added value in the bedroom rates, quality service and packaging their meeting room rates.

Several of the panel interviewed estimated the current period of downturn is likely to last for the next 12 to 18 months. Whilst margins move towards rock bottom, for agents and hotels, their general housekeeping policies exercises in controlling fixed and varied costs will be evident to take them through this point and beyond.

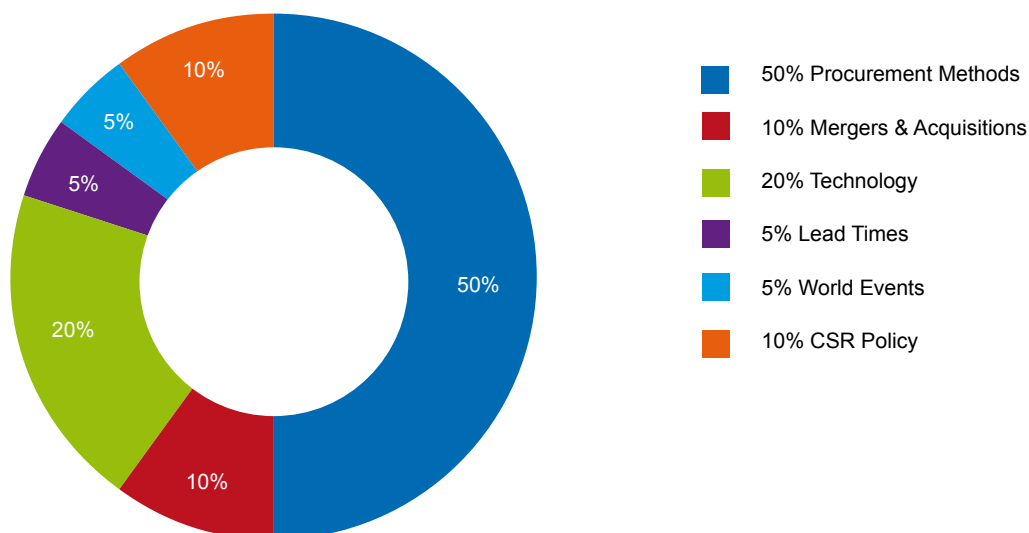
"Don't take for granted what you offer today will be acceptable tomorrow. For many years very little changed in our industry but now it is moving very quickly."

Des McLaughlin
Managing Director
HBI

Panel Question

What significant changes have you witnessed influence the MICE market over the past 10 years?

Changes that have influenced MICE Industry over past 10 years



"The investors failure in not learning that the MICE industry is built upon, and around personal relationships and consistent high service expectations and delivery has affected certain Hotel Groups and established venues."

Anon

From a MICE property market position over the past few years, we have experienced the financial restructuring of a large part of the branded hotel sector through:

- sale and lease back
- sale and manage back

Sometimes investors have chosen to operate, other times they have separated assets from ownership. The positive is that many properties that were in need of refurbishment or a new lease of life in their management have been regenerated.

The downside, in some cases, is that this has affected previously strong relationships, commercial agreements and service delivery through a totally financial strategy - positioning with an exit strategy from the investors and Main Boards.



"Our emphasis has been on a more efficient and sales focused Events Department, to turn round enquiries in minutes not days."

David Taylor
Sales Director
QHotels

"Pressure to reduce costs and the improvement in conference call and video conference technology (not to mention company CSR objectives) will mean that the smaller more informal meeting may be replaced by technical solutions."

Rajesh Vohra
Sarova Hotels
Sales & Marketing
Director

Another noticeable change has been the massive increase of non-residential venues entering the market - Sports Stadiums, Historic Houses, Museums, Serviced Office space, Boats etc. The difficulty these particular venues now face in securing confirmed business, against the large amount of inventory available to corporate buyers and their agencies, is not just in demonstrating sustainability and delivering the high standard of service expected, but to operate with the required infrastructural support - such as finance, account management, joint marketing and IT initiatives.

"The past 10 years as a period of time has seen most notably the massive increase in supply. It does seem now that every type of location is hoping to tap into the meetings and conferences as a secondary revenue stream - competition can now be found in the form of stadia, museums, tourist attractions and in one village close to one of our properties the village shops promoting "meeting rooms."

Tim Chudley
Managing Director
Sundial Group

Several of the Hoteliers interviewed explained how over the past few years they have had to strengthen and train their Sales Team to focus on MICE market with more emphasis on Account Management, product knowledge and relationship building.

Procurement

No one has a crystal ball or all the answers. However, you might as well stick your head in the sand if you believe that future technology will not play an important factor within the Meetings & Conference Industry. Another hot topic, and on many corporate meeting agendas, is carbon footprint and CSR (corporate social responsibility).

Security is also making its way up the list and could increase further as a deciding factor being influenced by the stability of the world. Corporates continue to look at ways to remove all risk. Therefore if a location or activity is deemed to have any hint of a risk at an early stage, the option will be removed from the list.



The business landscape is constantly changing because of the increasing requirement for more corporate governance - procurement just doesn't have the resource or time to manage this!

The last few years in Travel procurement has seen a stronger focus and measured controls in

- Corporate and Social Responsibility
- Security / Terrorism Threat
- Data Protection / Freedom of information
- Health & Safety - Corporate Manslaughter



Many finance departments are creaking at the edges. There is far too much Red Tape to manage all of this with the same amount of resource as previously budgeted.

The result being that responsibility and management is being passed down the chain to the agents and eventually to the hotel / venue suppliers - in the majority of cases there is the expectation that the cost of process and management is being passed down, resulting in taking operating costs to the extreme.

In some cases, either through lack of knowledge on the full Profit & Loss of an account or through pride of having the contract, agents are actually operating at such low margins they are not making any profit.

"Procurement are taking too strict controls and commoditising an emotional area."

Tracy Halliwell
Head of Business Sales & Conventions
Visit London

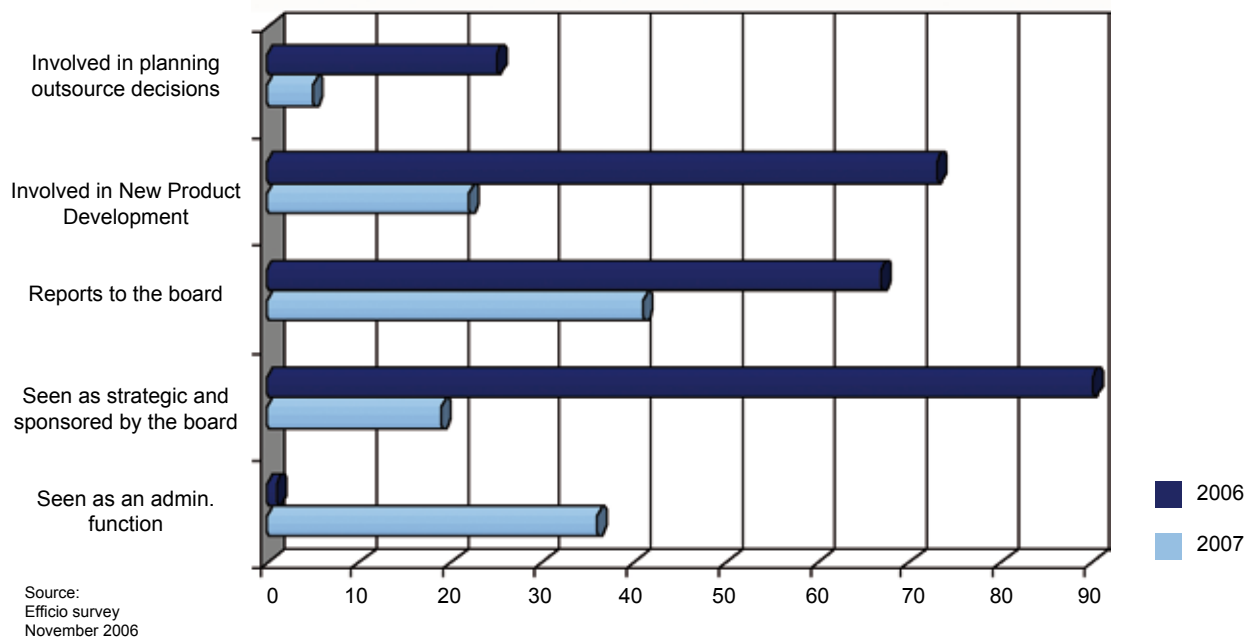
Whilst the last ten years has seen the a shift in emphasis from the Corporate Travel Manager to an increase of procurement controlled travel, it is evident that the status and position within the corporate of procurement has been elevated as they continue to demonstrate cost controls and prudent purchasing methods.

"The procurement of MICE services has become more professional, gone are the days of decisions solely being made on referrals or relationships."

Douglas O'Neill
Managing Director
Inntel

Procurement perceptions have changed since 2000

At the end of 2006 a survey of Procurement department within fifty large international organisations demonstrated the internal change in perception over the previous six years.



Future Challenges

Experience is something that can be bought and the agency market has seen a lot of movement recently amongst companies. If this is healthy, it waits to be seen.

In the future our panel expressed that we were more than likely to see a continued growth in the acquisitions, management buy-outs or merger of agents. The consolidation of the agencies will leave a very difficult market, for the medium sized agencies. The future, our panel felt, would be dominated by large agencies capturing the multiples of meeting bookings and smaller agencies operating in niche markets as specialist.

The panel were clear that there will always be a need for both and whilst the debate on TMC v HBA will no doubt continue until both are extinct and robots and computers have taken over all functionality, It is important that each focus on what their strengths and not waste time on this debate.

"Very clearly it is not just about booking a meeting room anymore - as anyone can do that!"

Leigh Jagger
CEO Banks
Sadler

"TMC v HBA - we should stick to what we do best - just make sure you can prove beyond doubt that you are doing the best possible job for your client."

Chris Peacock
Director
Conference Care

Does size matter? For some the right size might in the future, but for others in the MICE Market - the right demonstration of service, synergy in ethos, experience and personality of staff will win the contract.

Will the future see medium sized agencies swallowed up, as the bigger get bigger and the small sew up the niche market? Consider this thought, in this time when everything is demand, understand and supply..... reduce costs!

The message being - if you want a bespoke, specialised service, the best people and are prepared to perhaps take a little more time and sometimes pay a little more - then you have the option!

"Embrace technology and change your commercial models so that the clients are valuing and paying for the excellent service, advice and support that agents give them."

Denise Macdonald
Director of Meetings, EMEA
IHG (InterContinental Hotels Group)

"We have to work harder to understand the ever changing needs of our clients, who in turn react to a changing corporate world."

Angie Mason
Managing Director
Absolute Corporate Events

"We envisage the continuation of consolidation - especially in the agent market - client demands and the continued rise in the cost of operation (reducing the profit margin) will make it impossible for sole agents to continue operating - they will sell, merge or diversify their offering"

Tracy Halliwell
Head of Business Sales & Conventions
Visit London

Commission or Management Fee?

Our panel were almost totally unanimous in the fact that the future would see the demise of commission based business for fee based, which will ask the agent to demonstrate consistent quality service and delivery - the customer will always be asking "why would I use you?"

Several years ago the airlines and hotels paid commission to agents and through various transaction / management fee models the corporate was able to operate a travel procurement department that showed an income stream through hefty rebates.

Today the hotels still pay commission and we are starting to see this only applying to specific pockets of business. The days of commission on bed nights may disappear and MICE business will be heavily scrutinised by the accountants as to where the margins are sustainable to contain any commission payment.



"We are close to the end of commission in the industry. This in itself does not pose a problem as long as clients embrace the move from what is perceived as a "free service" to something that has to be funded."

Leigh Jagger,
CEO
Banks Sadler



"We welcome the fact that corporations pay for the service that they receive from MICE agencies - this is more sustainable a model for the future, as proven by "Travel Management Companies."

Denise Macdonald
Director of Meetings,
EMEA
IHG

"Comments such as we use this agent as they are "free of charge" - what utter nonsense - no agent is free of charge - they earn commission !!!"

Jan Tucker-Jones
(Head of Travel Procurement
British Telecom)



Therefore, the days of the model of HBA's with marketing messages that they provide a "Free Service" (reliant on the commission earned) are definitely numbered - not just because of the commission changes ahead, but the buyer is far more knowledgeable of the breakdown in the details along the chain. This highlights the need for transparency.

This unfortunately has some drawbacks and will create a no-win situation for some agents, as corporate buyers / SME's that have experienced the "Free Service" equation of booking their hotels & venues over the years will need to be persuaded of the value in a fee based business model

To start with they will not fully comprehend the whole chain costs and like the airline business today with no commission, the pendulum has swung too far over. The corporate buyer will not have valued the service they were experiencing and will start to analyse and expect far more added value and return on their perceived "payment" for service in future. Most group hotels are anticipating that this move will take the SME market further to the online environment (either through HBA's, TMC's, Portals or Direct).

However in response -

"Commission will never disappear totally from the MICE industry. The venues are not in a position to create absolute NET Rates in all the components involved. Relationships will always create a commission. The SME market wouldn't be prepared to pay agents and the hoteliers wouldn't have the know-how, experience and resource to manage the volumes direct".

If Commission was instantly removed tomorrow on all future MICE bookings, I estimate over 50% of the HBAA Membership would go out of business!"

Vivienne Keay
Director CCD

Another unanswered question is - if hotels remove the commission from bed night bookings (stage 1), what affect will this have to many of the online 3rd party providers (Expedia, Bookings. COM, Lastminute.com etc) - will they start to charge a booking fee? As the hotels will definitely want to remain in control of their inventory and yield as a return to the early days of online wholesale pricing by 3rd parties.

This will cause some confusion as the expectation of the client is that the rates charged in a post commission equation will be lower than the sum of the current rate less the commission - this has been the experience in the airline sector. Where the reality is; the rate is actually being driven by the corporate reducing their costs

Whilst the technology evolution in MICE takes it's time - there is some respite for the specialist HBA and the TMC MICE departments, but like the inventory the meetings market is saturated with agents, event managers, organisers etc and in future their success will not just be due to personal relationships or product knowledge.

However, in return it is time for the corporate buyers that are banging the "value for money" drum to take a reality check and understand that unlike other areas of travel, In MICE, this does not mean "Cheap"!

They have to wake up to the fact that along the chain everyone is running a business and the constant year on year budgetary restraints should not reduce margins to the point that agents and hotels aren't focused and committed as much as previously to their event / booking or whole account as they feel pushed into a corner.

It is a numbers game but in MICE too much pressure on quality versus quantity can result in bad meetings and event experiences for the delegates.

"Be bold, be open and concentrate on the areas you can really add value. Use best practice from some clients to improve the activity of others - make yourselves invaluable."

Paul Tilstone
Executive Director
ITM

*"MICE agents will have to adapt to a payment plan with their corporate client and not rely on commission - there just isn't the margins to work with anymore if you are to add value and be flexible **the acid test is to answer and demonstrate why are you in the chains?**"*

Chris Madge,
Managing Director
Zibrant

Vice Chair HBAA



"Focus on technology to support 'people' value - remove 'touch' processes where they don't add value."

Trevor Elswood
Managing
Director
BSI Group

"If agencies want to work with Blue-Chip clients then IT will be an essential part of their offering."

Des McLaughlin
Managing
Director
HBI

"Favourable recommendations from clients are one of the biggest sources of repeat business - people are still the main asset of our business."

Tony Troy
CEO
Principal Hayley
Hotels &
Conference
Venues

Technology

The panel of industry professionals agreed in general that Technology is, and will continue to play an all important factor in going forward and delivering to client's real time management information. There is also scope for increased additional savings, but at what cost and to whom? A frequent comment from Hoteliers and Agents was that Corporate Procurement wanted more IT solutions and reporting functionality but was not prepared to invest or even contribute towards the cost.



Many companies adopt technology to reduce time, cost and resource. This is healthy commercial business acumen in certain process environments, but many Corporate and Agent comments were showing concern at the potential reduction in staff in managing and responding to enquiries in a service environment where client needs should be anticipated!

In order, the three main drivers of a bookers criteria when selecting a venue for an 8 hour meeting are:

- Location
- Price (Value)
- Ease of Access



Corporates have already been on the receiving end (and some unfortunately have experienced) negative service in a call centre environment from both Agents and Hotels.

But will technology in hotels move more to automated check ins resulting in one of the oldest service industries becoming just another "hole in the wall" - fully automated, impersonalised and forgetting the customer?

The early touch points delivered by a hotel / venue in the customers experience whilst booking a meeting

or conference can be such a positive or negative influence in making their choice.

If a booker has selected several venues based on this, but one venue provides a customer focused, efficient and cost reduced method of booking - the result is obvious.

(This highlights the importance of agents and venues working closely together, as negativity experienced by the customer can affect the perception of both of them).

"The HBAA should look to utilise technology as an effective tool in protecting the environment - you can't Google dead trees."

Martin Coleman
Chairman ABC Connection

Keeping abreast with technology will keep you in the game. As clients business requirements become more and more demanding, with an expectation of additional detailed data, information and instantaneous answers, technology will be a huge support to your service delivery.

Technology is not going away and will continue to develop. Many agents have embraced technology and the possibilities it can bring for the future of the industry. But how many agents, as we speak, are busy independently reinventing the wheel. Technology and the investment required to deliver it is not cheap, but we ask how much money and resource is being wasted in replication of work for ultimately in many cases the same goal?

The volume of discussion regarding technology will ensure technology remains a main agenda item (however - too much talking and no solution delivery will continue to waste everyone's time and resources). So many IT projects are created on a huge "nice to have" criteria against the smaller, more productive and commercial "need to have" basis. Agents are under constant measurement in their Service Level Agreements to turn small meeting requests around quickly - this pressure is passed onto the Hotels & Venues - who in turn are reacting to multiple requests at one time and, only with good yield and conversion ratios to enquiries, can they justify the cost & time of resources to meet these demands.

Technology needs to continue to improve and enhance future bookings, enabling turnaround times in minutes rather than days.

Management information has become the yardstick by which many agencies are measured as quality data continues to be paramount for decision making.

The majority of Agents do not seem to be swayed as yet to WEB 2.0 and still don't comprehend the possibilities of where this can take them.

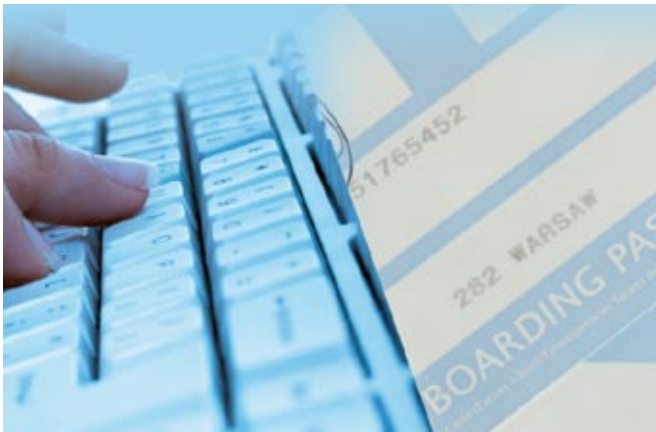
"Technology will be a continuing demand from the customer but not necessarily affect the booking method of the agency. It will however increase the ability of the agency to be able to provide the customer with much more information at the source of the proposal document."

Angie Mason
Managing Director
Absolute
Corporate Events

"Through listening to our clients and embracing technology, we have developed a Venue Sustainability Rating which scores a Venue on its CSR activity and therefore bookers can search for a property using CSR as one of the criteria."

Chris Peacock
Director
Conference Care

GDS (Global Distribution System) entering MICE



Having only entered the MICE market in January 2008, Amadeus have been conducting a full analysis programme. Early findings being that they found there were few if any rules, very little quantifiable management information and not too much control from procurement. "It was just like the early days of air and transient business" said Patricia Semillon in charge of Corporate Strategy.

Their first step was to look and listen to the details within the B2B arena of USA & Europe, holding sessions with providers and buyers of MICE. As expected whilst there is a core method of getting

a booking from A to B, everyone has a different belief in how to get there. "The USA & Europe are so different in their approach".

Amadeus now envisage that technology will be a solution for the majority of small meetings, with the stakeholder becoming more and more knowledgeable from micro-level of data not previously accessible. With 3rd parties attempting to link together to solve the various issues the venues will need to be savvier with their yielding.

Patricia was quick to point out, that the process of a seamless solution for all MICE bookings will never happen, as bookings over a certain threshold become far too complex. She believes this is where the HBA's can demonstrate their true value.

Amadeus believe the main issue for technical solutions in MICE are the parties who overcomplicate the process. By accessing consistent data and live links, a booker should be able to look, analyse the price and confirm. Aim to get this right first.

The commitment and future investment in MICE of Amadeus is clearly demonstrated by their continued strategic alliance with the HBAA.

"As a procurement person - if I look at my suppliers that I have quarterly meetings with - I could conduct our reviews via Video Conference - however, I would insist on at least one a year being face to face, as nothing can replace the engagement, of building trust and sustainable relationships in this way.

There will always be the industry debate on on-line meeting solutions / video conferencing and technology enhancements in MICE - BT make a song and dance about it - not travelling, going green and corporate responsibility etc - My Travel Procurement team are proud we demonstrated a £500k savings last year by utilising Video Conferencing - but technology is not the total solution and still requires many MICE specific enhancements before it can be utilised for the booking process anywhere near as good as flights or bedrooms - it is one of many solutions available to us."

Jan Tucker-Jones
(Head of Travel Procurement British Telecom)

Virtual World

Everyday we are listening to all levels of generations discussing what is happening on Facebook, Bebo, YouTube or Myspace - we need to acknowledge that that the society and the culture of how we communicate is rapidly changing.

Future generations will enter the work environment with technical knowledge and know-how, that couldn't be dreamt of when leaving education 10 to 15 years ago. However, the success in the MICE industry will be the balance and understanding between the generations of what we can learn from each other.

"Virtual meetings will eliminate some meetings - fewer meetings also means fewer planners needed."

Martin Coleman
Chairman
ABC Connection

The future of marketing your business, hotel and service will dramatically change with a continued move to on-line publishing.

Another HBAA strategic alliance is with The ABC Connections, who have continued to demonstrate how electronic publishing can strategically provide vast quantities of information not previously available to a far greater audience.

"Second Life" - Virtual Conference



"Despite wonderful technology behind websites and virtual tours, people still like to make their enquires, view facilities in person and then confirm the details."

Tim Chudley
Director
Sundial Group

The panel were invited to give their thoughts on WEB 2.0 / Virtual World - and what impact, if any, did they see this having on the MICE market? There was a broad mix of responses, resulting in two clear camps. The one camp embracing it, and I feel this was due to the fact that they understand or can see the impact it will play on everyday life.

The second camp were a little more sceptical about the technology and appeared to be either waiting for the results or for someone to come along to show them how it works!

"Web 2 is a philosophy and one that BSI is embracing, moving away from hosted platforms to systems that are web based and focus on customer communities - this will see sharing of meetings experiences and identify what worked well and what did not within a live community chat environment."

Trevor Elswood
Managing Director
BSI Group



"IHG recognises that many companies are utilising the tools of webcams, conference calls etc - but we find that this is frequently in conjunction with "face-to-face" meetings and the more people communicate online and offline - this often creates an even greater need to "meet" and "touch" other people - because, after all we are all human - and the need to "meet" will never go away!"

Denise Macdonald
Director of Meetings
IHG



"Online Technology isn't always the answer to everything!"

Chris Peacock
Director
Conference Care

A good example of utilisation of Web 2.0 technology with proactive innovation and customer engagement can be seen on IHG's (Intercontinental Hotel Group) web site.

They have recently created a hotel-of-the future in a virtual world (www.ihgplc.com/innovation). The hotel is totally focused on being 100 % eco-friendly and the application allows IHG website visitors to comment and make suggestions on all areas of the project.

This has allowed IHG to promote their Brand, effectively manage business decisions and listen to their customers before they actually introduce or build a new concept.

Taking this concept forward, just imagine a large conference, product launch or even a multiple of training meetings being requested by the client via their respective agent.

The agent doesn't just respond with a 3 option proposal but forwards a link to a virtual site where (via a conference call with their production team) they can take them through the whole proposal in 3D including the hotel / venue, the various layouts and rooms used, theming, lighting positions, sound and so on.

Ok today the financial equations, time and resource don't add up - but rest assured they will - again demonstrating the necessity to adapt to changes in the industry, to be a contender.

"Web 2.0 - we have already witnessed on-line meetings in a virtual world. There is still a perception that the virtual world applications are a "game" - most business's will try it once but it will take a long time for people to take an online meeting environment serious."

Tracy Halliwell
Head of Business Sales & Conventions
Visit London

"We are keen to not just be following current "buzzwords" but use WEB 2.0 where a clear benefit to the client is apparent. Examples being - Mapping, Directions, schedules, messages, nearby relevant services, registration, and communication via hand held equipment, questionnaires and so on...."

Douglas O'Neill
Managing Director
Inntel

"It is often quoted that hotels will never allow seamless integration because of the complications of various larger events and even with smaller meetings, will only drip feed availability, so they can remain in control of their inventory. I suspect that early breakthroughs in booking MICE space electronically, albeit on a low scale, will provide the confidence that ever more complex bookings can be accommodated in the same way. The speed of this progress will surprise many."

David Taylor,
Sales Director,
QHotels

SBT (Self Booking Tools)

One (anonymous corporate buyer) informed us that, **“a SBT for meetings will provide all the advantages of consolidated fulfilment, management information and compliance to CSR and Travel policies - but the main resistance is due to lack of live availability and quality / quantity of content.”**

Until, this is overcome and a universal solution of all content is delivered, I believe this lack of adoption will remain.

Within the TMC or a HBA combined with a travel partnership proposition there is a “total” solution offered to the customer. With the current focus on reduction in costs, time and resources, there is an obvious push towards further online facilities.

However, for various reasons (some already mentioned in this paper) the MICE market is not able to follow suit and in the case of those that are taking meetings to online, the majority are still in a request format.

Other corporate buyers, interviewed, also highlighted that the current online meeting issue is similar to the bed night market, where certain solutions are restricted to accessing GDS only. With 68% of hotels in Europe being privately owned or independent from Group representation, it is not surprising that many of these are not available via GDS with the hotelier seeing GDS as a cost of distribution and not an investment.

This does not help the Corporate that wants a bedroom in a small boutique hotel just off the High St, close to their offices. However, over the past few years a few HBA's have solved the non-GDS issues through their own online solution and have started to deliver this inventory to market. The MICE market, the diversity of properties operating within it and make up of the meeting space available through them is far more complex - add this financial and resource investment in the IT and finally the human “emotive” factor and the total live meeting inventory online solution, to both large corporate and SME markets (whilst it is likely to eventually happen), is still some way off.

The Panel were unanimous in agreeing that the vast majority of bedroom reservations in future will come via an online technology solution and small meetings will continue to take a similar route.

However, in a recent industry article a HBAA member was quoted “Why would a traveller want to find their login and password, search the SBT (Self Booking Tool) for ten minutes and then spend a further five minutes making the booking when you can simply write a two-line e-mail and have someone do it for you”?

It is not in the remit of this White Paper for me to judge an individual's comments (although I'd be interested to see how much of this agents bedroom business is still operating on a manual / request basis in a few years time)? I have to say that whilst this is not likely to be the thought or marketing position of just one agency (probably a few more agents reading this now agreeing) - it was an extremely brave statement against a tide of media, industry, corporate market and so on articles, making it clear online is clearly the only route to go

I think the importance of a statement like this, (and long may they continue) - is that it demonstrates to the market that the customer has a choice, as there are suppliers out there that are prepared to service your business in the method you / your company prefers..

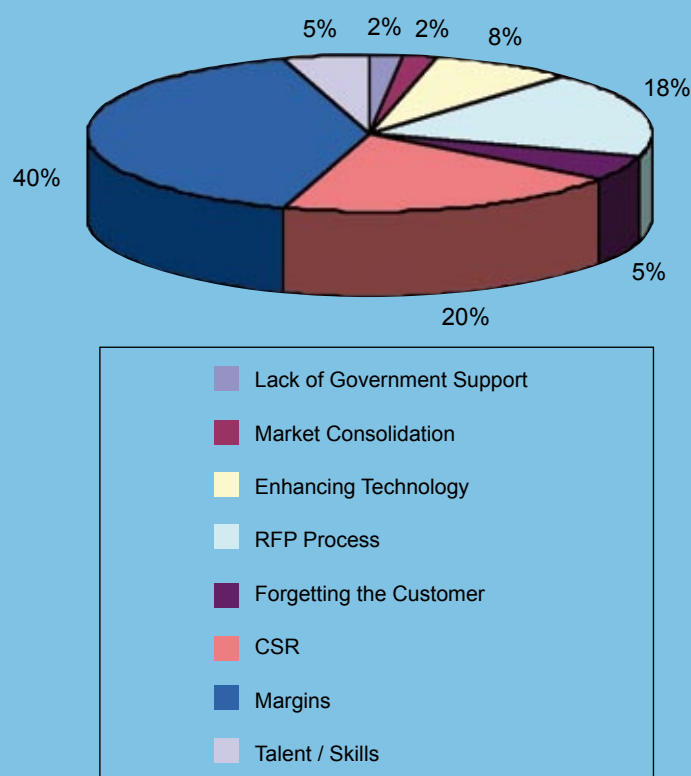
Under our very noses the industry is moving forward in the search for progress and efficiencies. Rather than arrange a PA or contracted agent to sign each individual meeting room booking (below a certain threshold - number/cost etc) part of their annual negotiations with group properties or multiple bookings into one venue (training courses etc) - there is one agreed contract that covers this - saving so much time, as in the end cost on cancellations and queries benefits no parties.

Apart from general T&C's where all could benefit. Does the market foresee a future where a continuance of TMC and MICE operators consolidate their products? This will very much depend on who is buying who. Will we see in the not too distant future TMC's moving more into the MICE market, as already witnessed? Having scaled up their operation and services to step into the arena, it is evident by the employment gains of experienced specialists into their MICE divisions continues deliver the message TMC's are serious. As yet the success rate may be questionable but what is apparent is the financial and booking volumes already managed far out score the majority of individual HBA's!

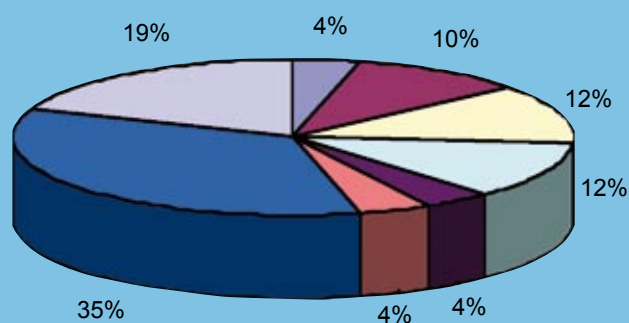
Panel Question?

Looking to the next 5 years what is the main issue you face in the MICE market?

Hoteliars Response

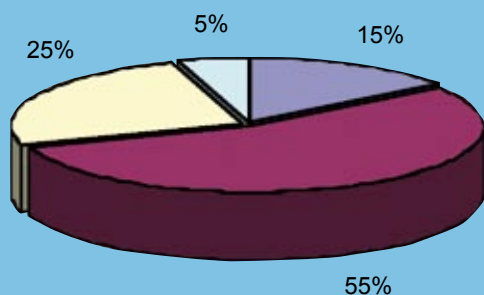


Agents Response



- Professionalism of other Agents
- End of Commission
- Technology
- RFP's
- CSR
- Credit Terms
- Margins
- Procurement

Corporates Response



- CSR
- Costs / Resources
- Standard of Technology
- Smoking Mirrors

Key messages from responses

- Technology and CSR will influence all areas of MICE moving forward
- Financial models are on everyone's mind-but currently there are different opinions on the solution.
- Both Agents and Hoteliers view RFP's as a future issue - unsurprisingly the party that conducts and controls the exercise doesn't.
- Again both Agents and Hoteliers are forecasting issues surrounding the margins.
- All have identified either skill, resource or professionalism as a hurdle to cross and sustain. The HBAA Code of Conduct and training would be a good place to start!

It was positive that some agents commented on the Professionalism of other agents, without a doubt many more in all parties were thinking it. This is where the future aspiration of the HBAA to take the Code of Conduct into Accreditation will come into it's own!

To view or download a copy of

The Code of Conduct

Go to
www.hbaa.org.uk

"The increasing sophistication of the MICE market means that it is easy to forget the basics. Customers want a great product, excellent service, a memorable experience and good value."

David Taylor
Sales Director
QHotels

"My main advise to the HBAA would be to go back to basics-focusing on the original Charter."

Joanna Fisher
Ramada Jarvis
Hotels



Wrap up to the HBAA Membership

Is there an opportunity for agencies to work together in the development of technology, and solutions to benefit all? Or is the risk too great to allow the competition in on the fact that you, along with everybody else, are developing an on line booking system?

Is the risk too great to allow the younger members of your team the opportunity to work on the web 2.0 virtual experience markets?

Is the risk too great not to sit up, listen and take notice as others have done outside the industry?

Is the paint dry and the writing already on the wall? Would the simple and most beneficial strategy be to work in unison with the HBAA and other associations within the market or look to become the lone conqueror?

Is the solution a simple one, one that requires not only the buy in to the HBAA, but also requires the active participation of all partners and members?

Alone the future could well prove too costly, as pricing models change. However it is of course in the interest of the HBAA to have the largest agency and partners membership possible offering first class value for money solutions to their clients.

"Try to work together with other associations in the industry, each association is working on the same projects, so sharing knowledge and ideas can make industry much more efficient."

Robbert-Jan Meinardi
Grand Hotel Huis ter Duin
The Netherlands

"Industry Associations need to consolidate - there are far too many - giving mixed messages in the MICE Markets."

Tracy Halliwell
Head of Business
Sales & Conventions
Visit London

And Finally

"There is now a strong requirement to move the code of conduct into a stronger position within the maturing industry."

The agent market needs to be independently monitored (by a joint committee from client / agent & supplier) through a more accredited position."

Chris Madge
Managing Director
Zibrant
Vice Chair HBAA

"The HBAA must be instrumental in moving the meetings industry forward and keeping up with the corporates."

They need to be better than the TMC's when it comes to hotels/meetings.

They need to be the preferred option for a corporate as they understand the hotel industry far better than the TMC's."

Catherine Whittle
The Vineyard Stockcross
Donnington Valley Hotels
Chairman HBAA Partners



In writing this white paper the following industry individuals and many who cannot be named due to company policy were interviewed. It is their contributions and perceptions' and valuable time given on The Future of Booking Venues, that has made the writing of this paper possible.

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- Martin Coleman, ABC Connection
- Patricia Semillon, Amadeus
- Chris Peacock, Conference Care
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- Joanna Fisher, Ramada Jarvis Hotels
- "To those we can't mention"

Thank You !

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