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Selling Power Source Book 2003 Pages 59-61 Excerpt of interview with Hal Etkin



Corporate Meetings

If you were scheduled to attend a meeting any time during the latter half of 2001 or the beginning of 2002, chances are it was either postponed, cancelled or scaled back considerably from previous years' events.

While many industries blame 9/11 for their woes, the meetings industry was already experiencing a softening trend, and that horrific day was simply the grease that accelerated the industry's downhill slide. At the end of 2001, traffic density on trade show floors had declined 30 percent from a decade earlier, convention hotels were reporting more than a 24 percent decline in profits compared to 2000, and companies that were still holding meetings were spending a lot less on those events.

Mark Woodworth, executive managing director of Atlanta-based Hospitality Research Group, tracks some of these trends and observes that business for the hotel industry had declined dramatically prior to September 2001. "Most of the declines leading up to 9/11 were on the commercial side, followed closely by group meetings." Cancellations, shorter meetings and fewer attendees became the norm beginning in early- to mid-2001.

As anyone in the meetings industry will tell you, companies also started booking much shorter term, and that trend remained well into 2002. Not long ago, the clients of Miami-based ME Productions were engaging the company's services an average of six months out; today, the average booking comes a scant 15 days prior to the event, says CEO Hal Etkin. In February, the production and destination management company handled 91 conventions, 75 percent of which were booked after January 15. "Demand is up 15 to 20 percent over last year, but it's all last-minute," says Ekin. "In the past, we'd be booking now at least six months ahead. Instead, I'm booking for next week."



With everything happening on such short notice, ME Productions employees all carry beepers or cell phones, and there's someone on duty 2.4 hours a day. Good thing, too, since it recently got a call on a Sunday afternoon from someone who had just flown in from London. Could ME Productions, the person asked, arrange transportation for about 200 people from the airport to a hotel the following morning? And could it handle the production and entertainment requirements for its three-day meeting, scheduled to start the next day? 'We did a Monday- morning pick-up at the airport with limo service for 200 people, handled the opening event on Monday night with a casino party, did the general session on Tuesday, took them to the Everglades and a dine- around-town on Tuesday night, did the awards ceremony on Wednesday night and they were out of there on Thursday," says Etkin. Now that's short term!

The trend toward shorter-term bookings stems from clients' concerns about having enough money in the bank to pay for their meeting. Companies don't want to make long-term commitments to spend a certain number of dollars on a meeting, then discover they don't have the funds when that meeting rolls around. By waiting until the last minute, they can get a better handle on budget and number of attendees.

Surprisingly, such tactics aren't more expensive. It's not like buying a last-minute airline fare where you'll pay exorbitant rates as punishment for not booking 14 days in advance. On the contrary, meeting planners can negotiate great deals just days before a meeting. "Some places are so in need of business they're willing to make the best deal they can on last-minute business," says Joe Sebestyen, president of the International Association of Conference Centers (IACC) and general manager of Marriott International in Norman. OK

As the economy started to slow in 2001, and especially after 9/11, those frills went away and meeting costs subsequently fell. "We used to get \$700,000 to \$800,000 for a multiday convention, including presentations, audiovisual, staging, the theme party—the total event," says Etkin of ME Productions. "We're not seeing those any more."

December 12, 2001

CREATIVITY

"All Fun and Games"



It's not just gimmickry.

Deidre Underwood, M.E. Productions' director of business theater, says her company understands that real learning happens when attendees are alert,

