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Perception is Reality

The Role of a Dedicated Conference Center in the Post Global Economic Crisis Climate

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In the Post-AIG scandal world, perception is indeed reality. No sector knows this more than the meetings industry. Its leaders have circled their wagons in Washington lobbying sessions, assessing just how to best address the current climate of crisis where all meetings are demonized as “Let them eat cake” excess, worthy of Marie Antoinette at the height of the French Revolution.

In March, the U.S. Travel Association responded to the witch hunts by creating a “Meetings Mean Business” campaign designed to inject some well-needed facts into the media melee.

"Make no mistake, companies that have received taxpayer assistance must be held to a different standard and conduct their business in a transparent and responsible manner," Roger Dow, President and CEO of USTA was quoted at the program's outset. "But the pendulum has swung too far. The climate of fear is causing a historic pullback of business meetings and events, with a devastating impact on small businesses, American workers and communities."

This impact means that one million jobs and nearly \$16 billion in tax revenue generated by the meetings industry are at stake. Hawaii and Las Vegas have been devastated because of the loss of millions in meetings revenue. Again, perception is seen as reality. Corporations which carry on serious meetings in these destinations in good faith are brought to the public whipping block because the venue is considered “frivolous.” No meetings are safe from this scrutiny.

There is, of course, good reason to scrutinize real corporate waste and greed, especially when the country is facing its biggest economic challenge since the Great Depression. Such scrutiny and President Barack Obama's insistence on a new transparency in business is essential in these times. But leaders in the meetings industry are holding faith that American business won't throw out the baby with the bath water.

The camaraderie and bonds that are created in a meetings setting are not something that can be simulated in a "virtual" environment. Serious meetings are not and never will be expendable.

The Dedicated Conference Center: An Industry Response

“You're never going to eliminate the need for the face-to-face meeting,” says **Margaret A. Moynihan, CMP Director, Deloitte LLP**. “But the government has lumped all meetings into one category of boondoggle. And that's not the way it is. Each and every meeting is now going to be evaluated as a value proposition. And for the next two years, at least, perception is going to be very, very important.”

Moynihan and many other meeting planners are looking anew at dedicated conference center venues as a solution to issues of perception: intent, seriousness and value.

“The conference center is more conducive to the atmosphere of a ‘serious’ meeting because of its structure and purpose-built features,” explains Moynihan. “A hotel is multipurpose. In a purpose-built conference center your meetings are confined in an environment that has been expressly designed with serious meetings in mind. There is no confusion in ‘perception’ that participants are here to work. The lighting is different than a hotel. The AV equipment is owned by the center, not rented. Chairs have lumbar support and are built expressly for people that are going to sit in them, working, for hours. Do you have any idea of how uncomfortable and unproductive it is to sit in a banquet chair all day?”

Tony Pastor, Manager of Conference Services for McKinsey & Company agrees that in today’s Post-AIG climate, the perception of serious intent is non-negotiable. It is mandatory.

“Do you think people would have gotten up in arms if AIG was having its meeting at the airport conference center in Dallas,” he points out. “And the perception factor is not only in your own organization, but also with your own client base. You have to visibly match a facility with your objectives and on many counts, conference centers rather than hotels, meet the objectives of a serious meeting.”

Pastor cites the conference center’s ability to provide a CMP, a complete meeting package, to clients. “You don’t have to order a la carte,” he says. “You get the cost advantage of buying everything together at a lower price.”

There is also the advantage of the physical plant. “Most hotels are chopping up larger spaces, which in my mind can’t compete with purpose-built conference space,” says Pastor. “Air walls are not as productive as the solid walls of a room created specifically with a meeting in mind.”

Will the need for these “serious” spaces begin to decline as the economy recovers? Not any time soon, says Pastor. “These things will take a long time to play out,” he explains. “Even if the financial crisis would end today we would not say, ‘Hey, let’s go back to the way it was.’ The importance of the perception of value as well as seriousness of intent will continue well into the future.”

It seems that even President Barack Obama agrees. After making statements earlier in the year that corporations on federal bailouts should not be taking “junkets” to Las Vegas the President clarified his position and encouraged Americans to meet for business. Robert Gibbs, the White House Press Secretary said recently, “The President believes it’s important to have a strong tourism industry and that...he would encourage people to travel.”

“Conference centers come in many different configurations to satisfy the needs of all types of groups,” says Burt Cabañas, Founder, Chairman and CEO of Benchmark Hospitality International, one of the founding members of the International Association of Conference Centers and a recognized expert in the meetings industry. “They can be found in resort settings, urban settings and everything in between. The presence of recreational opportunities does not take away from the serious meetings intent.”

Senate Majority Leader Harry Reid has also asked Treasury Secretary Tim Geithner to create guidelines on luxury spending for companies receiving bailout money through the Troubled Assets Relief Program. Reid said the guidelines would provide clarity for those businesses accepting the money and those who don’t. “It could also assure the broader business community that conventions and meetings are a routine and accepted part of running a successful enterprise in the country,” Reid has said.

Five Key Reasons to Take Serious Meetings to a Conference Center

1. Distraction-free facilities ... Conference centers are purpose-built properties designed to support and facilitate productive business meetings. The meeting space is available on a 24-hour basis and designed for maximum long-term comfort with ergonomic chairs, large work/desk surfaces, and built-in technology often accessible at the touch of a button. Larger conference rooms have clusters of smaller break-out rooms nearby facilitating individualized work sessions with groups reconvening in the conference rooms for plenary discussions and presentations.

Conference centers are generally located away from large urban centers where after-hours distractions can occur, and provide recreation and fitness facilities on property to encourage relaxed group interaction outside the meeting room. Hotel facilities are often Four Diamond-rated, similar to top traditional hotels designed for comfort, yet with ample work space and in-room technology for continued learning after the meeting day concludes.

2. Service ... Unlike traditional hotels and resorts, which often outsource the service component and technology support, conference centers and conference resorts provide an on-staff single-point-of-service-contact, who is with the customer from the beginning of the planning process through the execution of the meeting. This person is available, with a back-up Conference Service Department team, to immediately address any issue that arises prior to, during, and after a meeting.

3. Conference centers provide **state-of-the-art meetings technology on site**, whereas traditional hotels contract this out. Meeting and audiovisual technology is built into each conference room to support every type of meeting held. A full team of service experts is on staff and always available at conference centers as part of the Conference Service Department team.

4. Food & beverage operations at conference centers are designed to provide excellent, healthful and protein-rich cuisine, with first-rate buffets to enable groups to break for meals when it best suits the meeting schedule, dine together at a reasonable pace, and then return to the meeting room.

Within the conference center, refreshment breaks are available to groups as needed throughout the meeting day, continuously freshened, with an emphasis on healthful food items to sustain energy levels for maximum focus and learning. Refreshment breaks are conveniently located within the conference center for groups to utilize between sessions as the meeting permits.

5. The Complete Meeting Package ... Designed to include everything needed for a productive meeting experience all packaged into a single price. Whereas traditional hotels unbundle the meeting package, selling the components individually generally at higher price-points with unexpected and not-budgeted-for expenses, conference centers bundle everything together at a set price with each component needed for a productive meeting included ... so there are no surprises.

What's in the Complete Meeting Package

- * Deluxe guestroom
- * Three meals per day
- * Continuous refreshment breaks
- * 24-hour dedicated meeting rooms and break out rooms
- * Conference Service Department support
- * Onsite audiovisual equipment and service support
- * Onsite business center with staff support for light secretarial needs
- * Onsite parking
- * All taxes and gratuities

To Learn More About Conference Centers, Reference

“The Conference Center Difference” - <http://www.iacconline.org/about/index.cfm?fuseaction=ConfCenterDiff>

Keeping the Business in Meetings

<http://benchmarkhospitality.com/Meetings/Meetings-in-Business.asp>

To Learn More about Burt Cabañas, Reference - http://benchmarkhospitality.com/Media_Center/Executive_Bios.asp

About Benchmark Hospitality International

Benchmark Hospitality International is a leader in the management and marketing of resorts, conference centers, hotels, and Personal Luxury Hotels™. The privately held company, launched in 1980, is a founding member of the International Association of Conference Centers. Benchmark Hospitality is a worldwide organization operating properties in major metropolitan and resort destinations. Benchmark's international headquarters is located in The Woodlands, Texas, near Houston, with regional offices in New Jersey and Connecticut. International offices are located in Tokyo, Japan, and Santiago, Chile. For the location of Benchmark's properties and additional information, visit www.benchmarkhospitality.com.