



Global
Digest

Event Management

Background

CASME RoundTable meetings on Event Management were held in Asia, Australasia, EMEA, and North America. The following main topics were discussed:

- Scope and stakeholder engagement
- Company requirements and Procurement's role
- Industry and financial analysis
- Strategy development and execution
- Contract negotiation and implementation
- Performance management
- Trends and technology.

This Digest provides the key points, good practices and insight into future trends identified by CASME members at RoundTable meetings held around the world.

Scope and Stakeholder Engagement

- The scope of the event management category includes:
 - Venues
 - Travel
 - Food and beverage services
 - Audio-visual (AV) services
 - Creative content
 - Production
 - Registration and online booking tools (OBTs)
 - Event logistics.
- The types of events within the category include marketing and public relations events, trade shows, conferences, incentive events, internal and external product launches, industry events, and for some organisations, internal employee meetings.
- Meetings and events tend to be segmented according to whether they are internal or external, as well as the number of attendees and amount of spend involved. Small meetings and events may be co-ordinated by office administrators with larger events being managed by specialist teams.
- Procurement experiences challenges with event stakeholders when they are resistant to using alternative suppliers, reluctant to try new strategies and technologies, or are unaware of the need to manage third-party risk and compliance.
- Procurement is proactively engaging with the stakeholders to ensure its timely involvement in the event planning and supplier selection processes, attend planning meetings and strategy reviews, understand their requirements and challenges, and develop credibility. In some organisations, a policy is in place mandating Procurement's involvement in projects with spend above a defined threshold.

Company Requirements and Procurement's Role

- Procurement's role and responsibilities regarding event management include:
 - Advising the stakeholders
 - Obtaining market intelligence
 - Managing the procurement process
 - Onboarding and training service providers
 - Monitoring and analysing spend
 - Co-ordinating with Legal and Compliance regarding contract clauses
 - Arranging supplier audits
 - Educating the stakeholders regarding the organisation's policies for data security, corporate social responsibility (CSR), and health, safety and environment (HSE) requirements.
- Event management strategies may be centralised, decentralised or a combination of both. In organisations where a decentralised or combined strategy is being applied, the in-house team, the stakeholders, or an external event management company conduct the purchasing process, with minimal involvement by Procurement. In this situation, Procurement focuses on monitoring suppliers, compliance and spend, as well as identifying synergies and duplication.
- The corporate duty of care for employee business travel may be monitored at the global level using a centralised tool that connects with the security system; or it may be conducted by the company's travel management company (TMC).

COVID-19

- The widespread application of company policies banning business travel on a global basis due to the COVID-19 pandemic has resulted in many events that were scheduled for 2020 being postponed, cancelled, or changed to virtual media. Uncertainty regarding when the travel restrictions implemented by companies and governments will be lifted is limiting the ability to plan events for the next 18 to 24 months.
- The event management market has responded to the COVID-19 pandemic by facilitating the switch from physical to virtual meetings and events. The increased use of virtual platforms has highlighted their capabilities and potential applications, including additional opportunities for digital marketing.
- Procurement has responded to the crisis by working with the suppliers and stakeholders to understand and mitigate the impact of COVID-19 on the business. Specific actions have included:
 - Converting meetings and events to virtual media
 - Working with IT and Legal to establish a suite of legally compliant digital tools to support virtual events
 - Sourcing alternative solutions and suppliers to support the transition to virtual events
 - Developing the scopes of work for future events to prevent the over-commitment of volume during a period of uncertainty
 - Including clauses to address force majeure in contracts
 - Adding contractual responsibilities for suppliers regarding business practices and hygiene protocols
 - Negotiating with suppliers regarding payment for pre-event work they have performed for events that have been cancelled, and establishing favourable contract exit terms.
- Information and training may be obtained from providers such as the [Professional Convention Management Association \(PCMA\)](#) regarding the digitalisation of events, including managing the technological and regulatory requirements.

Industry and Financial Analysis

- Procurement obtains spend data for events from sources such as credit card statements and spend reports from Finance, as well as from platforms such as [Coupa](#), [Cvent](#), [Microsoft Power BI](#), [SAP](#), [Tableau](#) and [Zycus](#).
- Challenges in obtaining high quality spend data include inaccurate categorisation of spend in the system by users, lack of data for spend that is not under contract, low value spend placed on credit cards, and a lack of spend reporting by service providers.
- Procurement can work to overcome spend data challenges by partnering with Finance, requiring events above a specific spend threshold to be registered on the procurement or spend management platforms, educating users on correct categorisation, or using the compliance module in Cvent to obtain visibility and conduct spend analysis.
- There is limited data available externally for benchmarking pricing models for events; however sources include [IBISWorld](#) and [RightSpend](#). External suppliers can be useful sources of information, but procurement teams tend to conduct their own research. Conducting bidding between two or three service providers is an effective approach for obtaining current cost benchmarking information.

Strategy Development and Execution

- Procurement's role involves the development of the event sourcing strategy and the outsourcing of event services. Procurement engages with the stakeholders to identify requirements that could be outsourced, and to collaborate in developing preferred supplier lists (PSLs).
- A database of approved suppliers may be maintained within an event management platform such as Cvent, to enable the efficient selection of service providers.
- The approach used for developing the event management sourcing strategy depends on factors such as the number and frequency of events, the amount of supplier risk involved, the types of services required, and the regulations relevant to the company's industry. In some companies, the event management category strategy is developed at the global or regional level, with local procurement teams being responsible for the implementation.
- The decision whether to outsource depends on the culture and business practices of the organisation and the countries where the events will be held, as well as the resources available and the ability to maintain flexibility in the delivery of services. The services that are being outsourced include event planning, management, logistics, communications, creative design and production, and the booking of venues, hotel accommodation and transportation.
- The management of external events is predominantly outsourced, mainly due to factors such as limited internal resources with the relevant skills and experience, the lack of co-ordination between multiple business units, and the need to comply with regulatory requirements. In-house event management may

be the preferred option in organisations that hold a low number of events, or need to protect their intellectual property (IP), or require familiarity with their corporate brand.

- The business travel and event management categories are typically being managed separately, with different service providers contracted for each. The decision whether travel and accommodation are booked directly with the airlines and hotels or managed by the event agency depends on the cost and complexity of the event, particularly if creative requirements are involved. The air travel and hotels for events may be co-ordinated by internal event planners in collaboration with the event management company or agency, or the internal business travel team, and/or the organisation's TMC.
- Some services may be decoupled to avoid mark-ups by event management companies and to optimise budgets. The services that are being decoupled include event planning, creative design and production, fabrication and booth building, AV requirements, PR services, talent sourcing and management, and the booking of venues, hotel accommodation and travel.

Contract Negotiation and Implementation

- The pricing models within contracts and master services agreements (MSAs) with event management companies include:
 - Cost plus with a pre-negotiated mark-up percentage
 - Rate cards with a maximum number of billable hours per event or contract, and definition of what is and is not billable
 - Variable pricing based on factors such as the type of event, the type and number of attendees, and whether it is a live broadcast event.
- The percentage-based commission model that is commonly used in the USA is being replaced in Europe by daily rates.
- To reduce the amount of direct negotiations needed with event agencies or hotels, one approach is to agree to standard packages and rates for meetings and events according to specified numbers of delegates. The total cost of the packages should cover the venue hire, catering requirements and additional services, such as the provision of AV equipment.
- MSAs may be established at the global level, with an addendum that provides the flexibility to adjust the agreement and rates according to local requirements and markets, as well as country-specific laws and regulations. A statement of work (SOW) can then be developed for each event without the need to repeatedly renegotiate or approve contracts.
- Client and supplier companies tend to each have individual insurance policies to cover unexpected risks and incidents, with cancellation insurance normally addressed within MSAs. Insurance requirements and policies will be reviewed as a result of the impact of the COVID-19 pandemic on businesses.
- When paying the agencies directly, rather than through an event management company, it is important to collaborate with the agencies so that they understand the organisation's objectives and cost-savings targets, and will assist to achieve these.
- Good practice is to clarify in contracts the reporting requirements and documentation for invoices, such as cost breakdowns and third-party cost allocation and reconciliation, and to obtain transparency from event management companies regarding the commissions and rebates they receive from third parties, for which a revenue-sharing model may be agreed.
- The contents of service level agreements (SLAs) depends on factors such as the size of the events and the types of venues where they are held, as well as the location, for which flexibility may be needed to accommodate local cultures and suppliers' capabilities. The SLAs for event management services are aligned with the key objectives for events, and may include requirements regarding service quality, response times, incident resolution times, HSE standards, and the types of technology to be used.

Performance Management

- Supplier performance is being managed by applying a minimal number of measurable key performance indicators (KPIs) that are directly linked to the stakeholders' key objectives.
- Agencies may agree to the return on investment (ROI) of events being included in their performance metrics, but the results of events are difficult to measure in financial terms; therefore, the success of events is typically measured in terms of stakeholder satisfaction and the achievement of their objectives. The success of events may also be measured in terms of the return on objectives (ROO) rather than ROI.
- Business reviews with key suppliers are focused on continuous improvement and may be held monthly, quarterly or annually. Regular supplier performance reviews that are focused on anticipating or resolving issues are conducted with the stakeholders.

- Internal auditing may be conducted to check for compliance with the company's policies and processes; this enables misinterpretations and areas for improvement to be identified, and changes to be made where necessary to achieve positive resolutions. External specialists or professional authorities may be engaged periodically to conduct supplier audits, to check for compliance with contractual and regulatory requirements.
- Surveys and apps are being used to obtain feedback from the stakeholders and attendees of events; and post-project debriefs, or reviews may be conducted between Procurement and the stakeholders to evaluate supplier performance and the success of individual events.

Trends and Technology

- The COVID-19 crisis has increased the demand for virtual meeting technology. The advantages of using virtual meeting technology include that it provides opportunities to conduct events on a global basis, and the ability to engage a wider audience at a lower cost than for physical events. Live streaming is being used to expand the reach of virtual events; and may be used in combination with in-person meetings in the future.
- When virtual meetings involve IP or other confidential content, some organisations use a social listening company to enable the monitoring and reporting of breaches.
- The event management platform Cvent may be integrated with a travel expense management and/or online booking tool (OBT) such as [Concur](#).
- Tools such as [Eventbrite](#) may be used for designing and managing virtual events; for which effective content development is important for maintaining the attention and motivation of the participants during long online events.
- Suppliers of virtual meeting platforms include [Adobe](#), [INXPO](#) and [Zoom](#), [YouTube](#) for live streaming, and [Impetus](#), [Republic M!](#) and [Within3](#) for pharmaceutical companies.
- Technological applications are expected to continue to influence meetings and events in the future. Artificial intelligence (AI) will be used for data mining attendee registration information and to assess the effectiveness of events. AI chatbots will assist with event registration and meeting support, and holograms will be recorded and broadcast. The efficiency of registration for attendance at events will continue to be improved by using digital tools such as quick response (QR) codes.

Resource Centre Links

The following are links to the full meeting reports for each region:

- [Asia](#)
- [Australasia](#)
- [EMEA](#)
- [North America](#)

Important

This report is a summary of the facilitated discussions held between the CASME members who attended the meetings. CASME is not a consultancy and does not provide advice. The accuracy or validity of any recommendations or references, particularly to legislation and regulations, contained in the report should be verified by the reader prior to being acted upon. Any third-party organisations named in this report are not recommendations but are examples of companies mentioned during the meeting that may be considered when sourcing the relevant products or services. These are not intended to form an exhaustive list and it is likely that other organisations not listed also provide similar products or services.

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