Background
CASME RoundTable meetings on event management and the procurement of the related services were held in London, Mexico City and Sao Paulo during a period from September 2015 to May 2016. During February 2015, CASME held two Virtual RoundTables for delegates in Asia and Europe on the same topic. Between eight and twelve companies were represented at each event. The following main topics were discussed:

- Scope and strategy
- Procurement's role
- Stakeholder management
- Remuneration and value management
- Technology
- Contracts.

This Digest provides the key points, good practices and insight into future trends identified by delegates around the world. Full notes from each meeting are available on the subscriber-only CASME Resource Centre.

Scope and strategy

- The scope of event management includes internal and external meetings, corporate events and professional and medical education, as well as consumer-related events such as conferences, industry fairs, public relations (PR), marketing promotions and product launches.
- Event management strategies are generally reviewed annually on a global level with input from Procurement, Marketing and other key stakeholders, and should take into consideration the local, regional and global event forecasting and requirements. The objectives of a global strategy are to ensure quality control, brand image consistency and high-quality customer experience.
- Due to the subjective nature of evaluating event management services, performance measurement against the strategy is based on the achievement of objectives, as opposed to a return on investment (ROI) based on monetary value.
- To achieve economies of scale, adherence to a defined specification and stakeholder compliance, the sourcing strategy includes supplier rationalisation and formal supplier management.
- Sourcing strategies include decoupling sub-categories such as travel management, creative services and logistics from the primary event management company and placing the spend with specialist service providers. Dividing the spend between two or more preferred event service providers reduces risk and increases value, enabling the organisation to obtain best-in-class services within the sub-categories.
- It is essential to consider the cultural and economic implications of holding events in certain locations, which can affect costs, payments and compliance.

Procurement's role

- Procurement's strategic objective is to empower stakeholders to execute the event management strategy by equipping them with evaluation tools, complemented by processes that are easy for them to navigate.
- Key areas where Procurement provides support include sourcing service providers, managing suppliers, contracts and risk, as well as capturing data through post-event feedback processes to assist with assessing stakeholders’ and attendees' satisfaction.
- Two-way engagement with stakeholders involves educating them and communicating the ways Procurement's services provide value to their business, as well as Procurement learning more about the business and event management through hands-on activities such as defining stakeholder requirements and inspecting event venues.
- Procurement teams must be adept at spend and cost analysis, gathering feedback from internal and external stakeholders for use in quarterly review meetings, while remaining knowledgeable about current event management trends and market movements.

Stakeholder management

- Procurement needs to engage with stakeholders to build trust and commitment to each function's processes and objectives. This includes early engagement at the planning stage, creating communication channels, mapping their needs and focusing the discussions on outcomes, not cost.
Procurement needs to work closely with stakeholders on strategic activities such as supplier optimisation, category planning and sharing best practices, and possess a high level of emotional intelligence to manage relationships and behaviour.

Support from senior management, together with internal controls, clearly defined policies and sign-off procedures, help to guide stakeholder behaviour. Other means are limited to soft approaches rather than penalties; these include activities to change behaviour using recognition and incentives. Procurement also needs to inform suppliers of the terms of engagement with stakeholders in order to mitigate the risk of non-compliance.

**Remuneration and value management**

- Remuneration models being used include a combination of one or more negotiation points such as rate cards, fixed or variable fees, commission and pass-through costs. These may be capped or uncapped and audited.
- To gain stronger bargaining power and to ensure a fair price is being paid, it is necessary to understand the true cost of an event. This includes working with suppliers that are willing to provide a breakdown of their profit, labour rates and overheads. Costs can be benchmarked on historical spend, supplier intelligence and market reports.
- Supplier remuneration is linked to performance and includes assessments on the supplier’s quality of work, dependability, productivity, on-site support and cost reduction, as well as stakeholder and customer feedback.
- Auditing is an important tool to ensure compliance, especially when a supplier is conducting purchasing transactions on behalf of the organisation. The results can be used for benchmarking and continuous improvement.

**Technology**

- Technology is used widely to improve operational efficiencies, monitor budgets and identify trends, as well as to facilitate engagement and communication for an enhanced user experience. The use of technology is dependent on the organisation’s culture, structure, stakeholder profile and the capability of IT to support new technology.
- The IT team should lead the assessments of feasibility and risk, and ensure the necessary data privacy and protection policies are applied. The development and management of non-core technology, such as event management mobile apps, are outsourced to third party service providers.

**Contracts**

- Key contract clauses include: cancellation conditions, security and data protection policies, intellectual property (IP) rights, indemnity, attrition, publicity, dispute resolution procedures, rebates, commission agreements, anti-competitive and liability insurance. Due to costs increasing over time, long-term contracts need to have an escalation clause to protect both parties.
- Service level agreements (SLAs) can be derived from a global master service agreement (MSA), with addendums specifically tailored to particular countries and types of events. Contracts can be local or global, and can be managed either by the organisation or the primary event management company. Compliance to the terms of the SLA usually results in 15-20% savings; however, this can be affected by the client being timely. Key performance indicators (KPIs) are based on the service objectives of the SLA. Penalties for failure to perform include a percentage reduction in the fees, or no payment.

**Future Trends**

- Proactive engagement is fundamental to successful stakeholder management.
- Contract negotiation and evaluation will rely on better knowledge of costs and metrics.
- Further decoupling of sub-category services will be used to reveal the value of event management contracts.
- Organisations will increasingly strengthen quality and compliance by conducting regular audits on suppliers managing a large volume of spend, judicious use of remuneration models, controls integrated into SLAs, and engaging security experts to review data protection policies.
- Supplier rationalisation will continue to be the main area of focus for cost optimisation and deriving maximum value.
Resource Centre Links

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

**Asia Virtual RoundTable**, 24 Feb 2015
**Europe Virtual RoundTable**, 18 Feb 2015
**Europe RoundTable**, London
**Latin America RoundTable**, Mexico City
**Latin America RoundTable**, Sao Paulo.

**Global Digests** provide valuable category and strategic insights to CASME members, as part of a much wider subscription service that is delivered to hundreds of corporate indirect procurement teams worldwide.

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**Important**

These notes are a summary of the facilitated discussions held between the delegates various meetings. We recommend that any references, particularly to legislation, or recommendations contained in these notes are cross-checked by the reader in order to verify their accuracy prior to being acted upon. Any third party organisations named in this document are not recommendations but are examples of companies mentioned during the meetings that might be considered when tendering for appropriate goods or services. These are not intended to form an exhaustive list and it is likely that other organisations not listed may also provide similar goods or services.

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