

The Wire...from AirPlus

August 2009: Tackling Meetings Spend

AIRPLUS. WHAT TRAVEL PAYMENT IS ALL ABOUT.



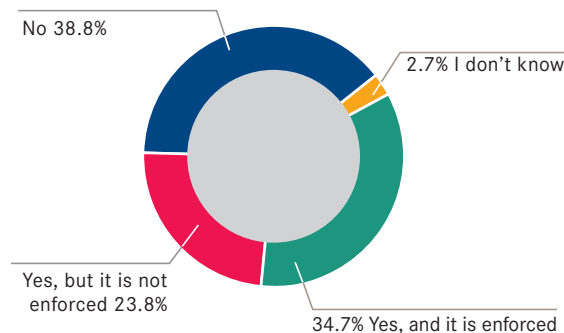
Travel managers get involved as economic woes and public scrutiny push corporations to improve meetings visibility.

Corporate travel managers have meetings on the radar in 2009, according to a recent survey of 148 corporate travel professionals conducted for AirPlus International. More than 52 percent of respondents indicated they were “very involved” or “involved” in planning or sourcing meetings, while slightly more than 33 percent said they assisted other departments in planning such activities.

The going may prove to be tough for a good portion of these individuals as their involvement in managing meetings is likely ad hoc. Compared to the 85 percent of corporate travel professionals who touch meetings, only about 35 percent of respondents said that their company enforced a meetings policy. In contrast, more than 60 percent revealed that either the meetings policy was not enforced (23.8 percent) or there was no policy at all (38.8 percent).

Largely unmanaged, meetings activities have proven one of the most elusive categories of corporate spend, fragmented among a variety of business units and parsed into miscellaneous cost centers. In many corporations, upper management incorrectly assumes that meetings spend is generally captured as part of corporate travel. The wake-up call for the c-suite often comes in the form of a crisis, whether it’s an emergency

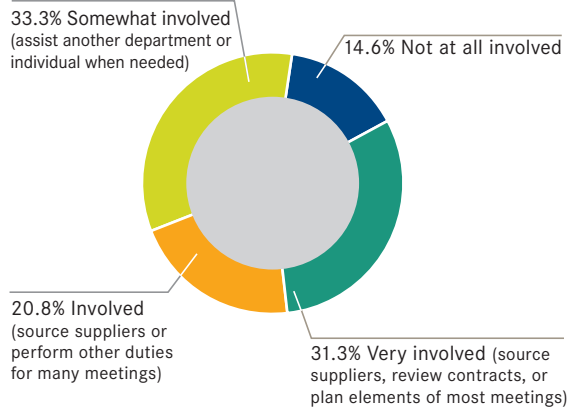
Does your company maintain a meetings policy to govern meeting planning practices?



situation at a meetings destination, damages incurred by unmanaged contract liability or, of recent note, public issues that arise from what might be perceived as extravagant meetings spend. It is the latter that has helped pushed the concept of meetings management out of leading-edge companies and down to the mainstream.

Outrage over meetings and incentive programs hosted by AIG and other U.S. companies that received government bailout funds has shoved an unlikely industry into the public perception hot seat. The backlash derailed legitimate meetings business throughout corporate America, delaying business decisions and further damaging the hospitality industry already reeling from the economic downturn. According to the AirPlus survey, more than 31 percent of companies cancelled at least a portion of their existing or planned meetings as a direct response to the public scrutiny. More than 20 percent have placed new restrictions on acceptable meeting locations.

How involved is travel management and/or procurement in planning or sourcing meetings?



There is an upside of the phenomenon, however. The AirPlus survey shows that at least for some corporations, there is a renewed focus on enterprise-wide meetings management and strategy. While 31 percent of companies reported no changes in their meetings strategies following the AIG reports (which may reflect an existing management program for some respondents), the majority noted a variety of positive changes. Nearly 18 percent of companies created a meetings policy and almost 20 percent are implementing a centralized meeting planning department and/or a strategic meetings management program.

In those companies moving toward meeting planning best practices, corporate travel professionals are likely to be tapped as an important resource. Their diverse backgrounds in policy and compliance, travel management tools, travel procurement strategies and data reporting will serve them well. While the challenges to meetings management can be significant, the 85 percent of corporate travel professionals already involved in meeting planning activities will be a step ahead of the game.

What effect has the media scrutiny over meetings (the AIG effect) had on your company's meetings strategy?*

Implementing a specific meetings policy	17.7%
Implementing a centralized meetings dept. and/or a strategic meetings management	19.7%
Exercising demand management techniques for all meeting requests	15.6%
Specifically reducing internal meetings	31.3%
Including fewer participants in most meetings	26.5%
Placing new restrictions on acceptable meeting locations	20.4%
Increasing confidentiality measures for meetings	7.5%
No changes	31.3%
I don't know	8.2%

*Total equals more than 100% as respondents were able to choose multiple responses

Additional Resources

Meeting Pros Share Lessons On ROI

<http://management.travel/news.php?cid=meetings-return-on-investment.Jul-09.30>

What Is The Value Of Meetings? Industry Justifying Benefits

<http://www.procurement.travel/news.php?cid=what-is-the-value-of-meetings.Mar-09.31>

Marrying Travel and Meetings: Daiichi Sankyo's Centralization Bears Fruit In Form Of 15 Percent Savings

<http://www.procurement.travel/news.php?cid=Daiichi-Sankyo-travel-meetings.Jun-09.30>

In Challenging Times, Practice Strategic Meetings Management: 10 Reasons To Capture And Leverage Your Spend Now

<http://www.procurement.travel/news.php?cid=strategic-meetings-management.Jun-09.30>

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