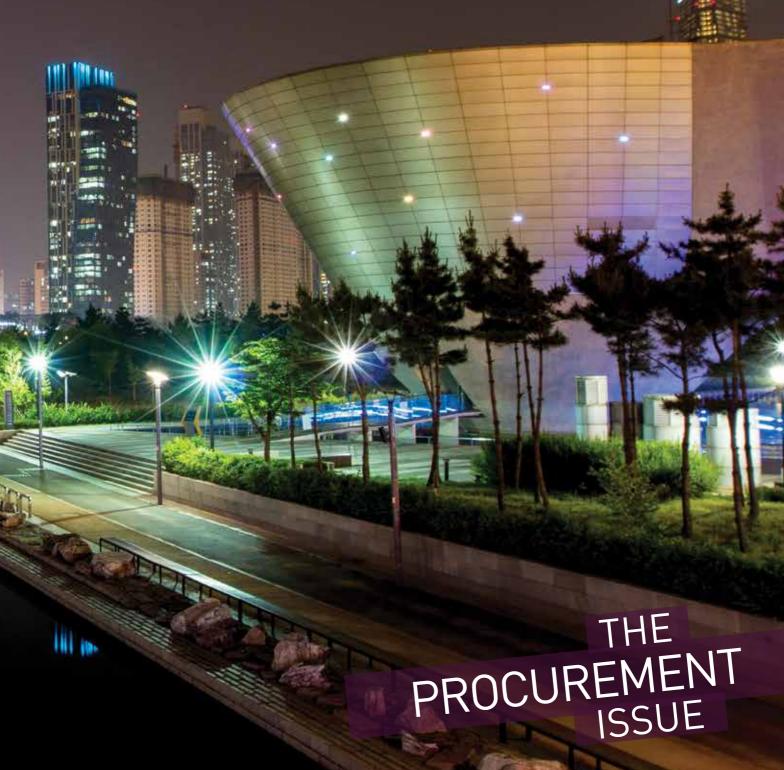


BizEventsAsia

THE PULSE OF ASIA FOR BUSINESS EVENTS





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OCTOBER 2015

#FirstWor

COST ANALYSIS

A common English saying "you have to spend money to make money" rings completely true. Whether it is investing in staff learning and development or building relationships, there are costs and risks associated with doing business.

This magazine considered long and hard before dedicating this issue to a challenging topic like procurement during Asia's peak tradeshow season. Traditionally, overarching topics like incentive destinations or luxury travel may bring trade magazines like ours more advertising revenue.

Risks heightened further when we decided to introduce a novel concept of inviting quest editors from the business events industry to be a part of each issue, instead of appointing a full-time one. We received calls questioning the absence of an editor, and attracted naysayers from the more conservative sections of the industry who subtly challenged our unconventional methods.

We took the criticisms in our stride, kept calm and carried on. We are so proud to have kept to our commitment of producing an issue focused on a topic that needs better communications and education.

The business events industry morphs continuously and the magazine is very fortunate to be part of this journey. Besides experiencing





top destination familiarisation programmes, we learnt heaps from attending conferences like the Association of Corporate Travel Executives (ACTE) Global Travel Conference in Hong Kong and the Professional Convention Management Association (PCMA) GloPro Asia Pacific Workshop in Melbourne. Starwood Hotels and Resorts Worldwide gave Biz Events Asia inaugural access to its 2015 Asia Pacific Customer Advisory Board meeting held in Xian, China.

What we have learnt and presented in this issue is the importance of transparent discussions on cost management best practices, and how investing in tools can help with the creation of solid team strategies. Leveraging on the opinions and feedback of loyal and qualified customers is key to creating formidable business strategies. As a company, Biz Events Asia draws inspiration from these knowledge and uses feedback (both positive and negative) to fuel the passion for what we do. We will take leaps of faith to continuously innovate. As we have learnt from our rebranding efforts in February, greater results come from having the ability to change and not by doing the same things over and over again.

A big thank you to guest editor Josephine Lim of Preferred Hotels & Resorts for her editorial contributions in #TheProcurementIssue article (page 20). We respect how she remained impartial throughout the article by giving buyers, sellers and intermediaries fair representation. We hope you enjoy this issue.

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Our cover image features Songdo International Business District in South Korea, Read about this and more from page 18.

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Printed in Singapore by Sunrise Printing & Supplies Pte Ltd. Reg no. 199002858D PPS 1785/04/2013 (022963) MCI (P) 131/02/2015



FINDING SOLUTIONS THROUGH OFFLINE CONVERSATIONS

UNCOVERING MUCH NEEDED CONVERSATIONS IN THE STRATEGIC PROCUREMENT OF BUSINESS EVENTS

CULTIVATING THE ART OF PROCUREMENT

The anticipation of the corporate travel tender season gives new meaning to negotiation and forecasting skills while being edged with feelings of anxiety each year. It also brings hoteliers the challenge of managing communications and balancing business agenda from global and regional offices right down to the level of hotel operations. Buyers, sellers and intermediaries like travel management companies (TMC) have almost perfected the strategic sourcing of flights, transport hire and accommodation for individual corporate travellers. Global connectivity capabilities and sophisticated booking engines created by leading TMCs such as American Express Travel, BCD Travel and Carlson Wagonlit Travel (CWT) assist in transparent tracking of production.

All parties are confidently vocal about resolving compliance and production challenges during individual meetings and conferences. One of which is the Association of Corporate Travel Executives (ACTE) Global Travel Conference held at the Grand Hyatt Hong Kong in August 2015. The conference

has a track record of continuously discussing and resolving current and new challenges. For example, airbnb was invited to a discussion panel at the conference, where delegates cited the greater role sharing economy disruptors played in corporate travel. "We need to be aware and prepare."

The conference was a success, according to Greeley Koch, executive director of ACTE. He also said that balance is the key to a successful travel programme in this unique market (Asia). More coverage of the ACTE conference can be found in the Delve into Hong Kong section (page 46) in this issue of *Biz Events Asia*.

But, when it comes to meetings and events, the art of corporate travel procurement and the unique needs of strategic meetings management (SMM), programmes require further alignment. It is much harder to find a solution when this need for re-alignment is also blanketed by an overlay of strict company public relations protocols, forcing a gap between the perceived fair detail Request for Proposal (RFP) process and actual business needs.

THE DIFFERENCE IN PROCURING CORPORATE TRAVEL AND EVENTS

Often, the corporate travel procurement and SMM teams are not in the same department. Corporate travel mainly deals with individual travellers where it is easier to mandate, track and forecast. Travel needs tend to be based on proximity to customer or local office locations. Once the travel programme is implemented, travel bookers can be made up of actual travellers, executive assistants, or travel management companies. Preferred rates mostly apply to only individual travellers and not group travel.

The person who manages the SMM programme within an organisation is often required to have professional event management experience. Group travel and event requirements, along with the range of suppliers needed, are different for each event. And for some industries like pharmaceutical, the number of events held in a year are determined by the time which a company launches a new medication. These unpredictable

elements make it close to impossible to apply the same procurement practices of corporate travel to business events.

THE PREFERRED LIST

The preferred list of hotels is often determined by the needs of corporate travel. Resorts and hotels located outside the proximity of travel requirements are not included on this list unless they are willing to offer a rate without production expectations. Non-accommodation event venues like convention centres, will not be included. The events team is expected to use preferred hotels first. However, some events may require bookers to use a non-preferred venue or hotel, where bookers must then submit a justification for approval. Depending on the complexity of the event, some requests will take a longer time to be approved and run the risk of the space being taken up. This dilemma is often faced by bookers during the peak period or in destinations where quality venues are scarce. The events team often receive requests from hotels to be added onto the preferred list. Often, a hotel is not accepted onto the list because the organisation may not require enough use of it for events. Non-preferred hotels do not get the first opportunity to quote for a business, or get a chance to understand a client's SMM programme requirements; this then creates the doubt that non-preferred hotels are capable of delivering on the mandate

For this reason, organisations start to procure a separate and specific Meetings Hotel Programme.

LACK OF SMM PROGRAMME UNDERSTANDING

Biz Events Asia understands from Sally (not her real name), an Asiabased event director of a global corporation, that SMM is widely implemented in Asia. The SMM policy clearly states buyer requirements, from indemnity clauses and fair cancellation periods within contractual terms to the finer details like signage (especially for the media-sensitive finance and banking industry).



Some sellers, especially a sales or account manager new to the industry or account, do not understand the purpose of the SMM mandate. These sales managers may seem more eager to convert a sale than to understand and deliver on the SMM requirements.

There seems to be a false perception that SMM is implemented for the sake of control and savings. This is because planners responsible for the SMM programme expect venues and hotels to support the mandate through driving compliance. For example, hotels are expected to inform the SMM team when a booker from their organisation has contacted the hotel directly instead of using dedicated channels like Cvent or Lanyon Solutions. However, it is difficult for the hotel when the bookers expect a quotation within the next few hours. Redirecting them back to the SMM team may jeopardise business opportunities, especially in destinations with a dense hotel portfolio such as Bangkok.

It was explained to *Biz Events Asia* that SMM is implemented as a



savings, mitigate risks and track quality reporting. When a location is deemed unsafe, companies use these systems to see if their employees are there and provide immediate support and evacuation. Events that are not compliant to the SMM programme will not be picked up by the systems and safety of the delegates could be compromised. The SMM team will be responsible should the untoward happen, and not the sellers.

RESTRICTED ACCESS

Biz Events Asia recently attended a conference where some procurement managers explained to the audience that their organisations are not in a position to be entertained by sellers because of their Anti-Bribery and Corruption (ABC) policies. This means that sellers can only meet buyers at their offices. They can no longer accept an invitation to a hotel site inspection or showcase (often

includes dinners, giveaways and lucky draws). All invitations received by the bookers should be forwarded to the organisation's legal team, so as to prevent incurring disciplinary actions as a result of perceived breach of the ABC policy. Some organisations pay for their own travel arrangements and hotel stays, should companies need to assess a product prior to selecting it. They also cannot accept complimentary upgrades or meals. Preferred sellers that send the invitation knowing it is a breach of policy will be warned. Repeat offenders will be taken off the preferred list. Non-preferred sellers may not get the chance to meet the buyers.

In the name of transparency and equity, it is fair that organisations are putting these restrictions so that bookers cannot demand personal benefits before or after awarding the business to a seller. Hotels can also save on entertainment expenses. Using systems to channel through business leads seems like a best business practice. But does this mean the hospitality business is now just a game of numbers?

CHALLENGES HINDERING THE RFP PROCESS

The objective of the Request for Proposal (RFP) process is supposed to narrow down the selection across the preferred list of appropriate vendors and service providers based on a predetermined set of guidelines and budget parameters. What should seemingly be a straightforward process of "ticking the boxes" is more often fraught with a myriad of impediments, resulting in a lengthy and somewhat angst-ridden time of the business calendar year where all parties involved consider a necessary evil to serve the greater good.

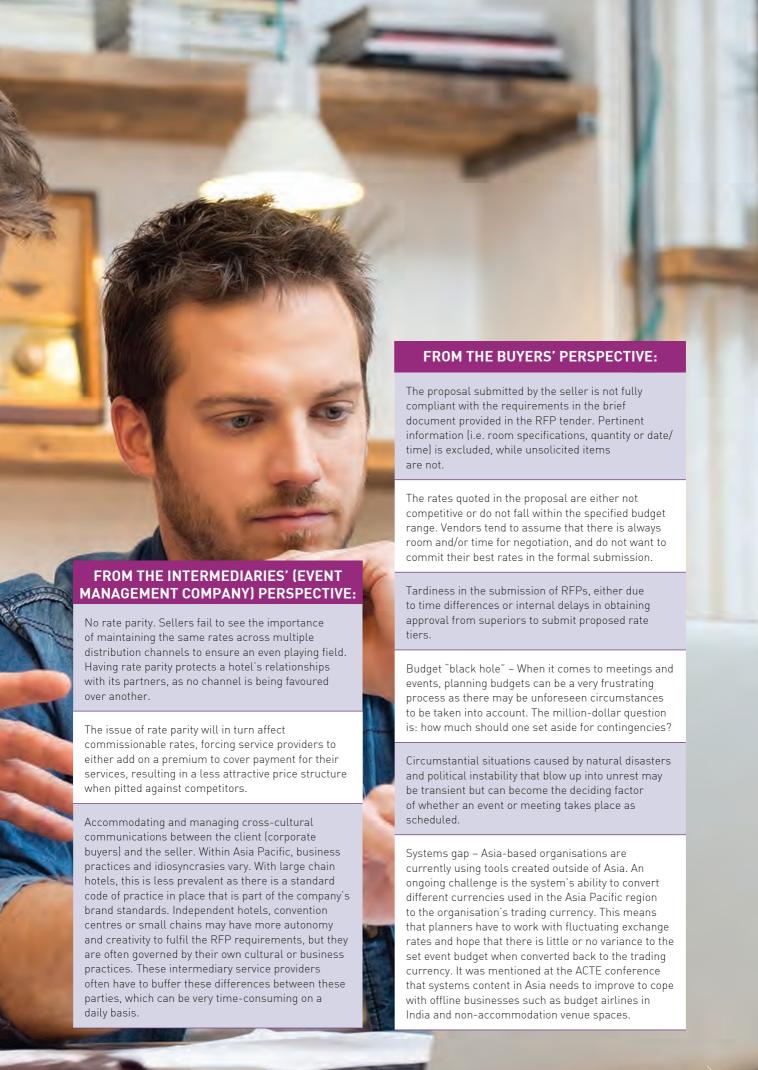


"If businesses keep discounting, the industry will exploit labour and the environment in order to stay sustainable."

CHANDRAN NAIR

Founder and CEO Global Institute for Tomorrow







POSSIBLE SOLUTIONS TO THE GAP

Some hotel chains have set up a master services agreement (MSA) with procurement managers, allowing buyers and sellers to sign off on a blanket terms and conditions that protect the business interests of both parties. From the pricing perspective, hotels are offering discounts and value-adds instead of fixed rates, so the MSA allows the hotel to pitch for the business while yielding fluctuating rates according to business levels.

Another possible solution is to have the manager of the SMM programme sit within the procurement team with lesser operational duties. These managers could possibly have a say on the preferred list, or alternatively, create a preferred list for SMM.

Further education could be conducted between sellers, appointed intermediaries and buyers (especially MICE hotels) on the SMM policies. Training and development departments of hotels could be involved in this process to ensure such education is not only limited to the sales teams, but also the rooms, operations and food and beverage departments.

BEST PRACTICES IN SMM as recommended by Pacific World



Don't have a rigid programme that doesn't evolve and adjust accordingly when your organisation's priorities change.

POLICY

Don't assume a non-mandated policy is ineffective. SMM programmes can still achieve high levels of compliance by creating a beneficial process and communicating effectively.



APPROVAL

Make sure the approval process is straightforward and timelines are set for responding. This will avoid hold-ups with busy executives.



REGISTRATION

Make the registration process as quick and as user-friendly as possible to avoid putting people off.



The market could consider allowing the use of Asia-created solutions (like software and systems) that are sensitive to the region's business needs, such as language and relevant content as well as currency conversion. Using tools created in Asia to solve their challenges could further value-add to overall global strategies.

Finally, with the ABC policy and other transparent policies that organisations have introduced for the betterment of business efficiency, there should be allowance given to business partners (like hotel and venues) to express their already diminishing unique selling points. The business events industry should be safe, but fun and motivating.

At his opening address at the ACTE conference, Chandran Nair, founder and CEO of Global Institute for Tomorrow, said the current economic model is built around an intrinsically flawed principle. He encouraged the audience to stop asking for discounts, as there is a cost to everything. What we save now in costs becomes a lack of payment for someone else. For example, low-cost airlines led the increase in travel frequency and as the result sees the environment paying for it through increased fuel consumption and pollution. If businesses keep discounting, the industry will exploit labour and the environment in order to stay sustainable.

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Some procurement managers explained to the audience that their organisations are not in a position to be entertained by sellers because of their Anti-Bribery and Corruption (ABC) policies.

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SOURCING/ PROCUREMENT

Understand that different types of meetings and events require different approaches to purchasing and customise your strategy to ensure appropriate products and services are available.

DATA ANALYSIS/REPORTING

Demonstrate the programme's value through regular reports showing progress in terms of savings and attendee satisfaction.



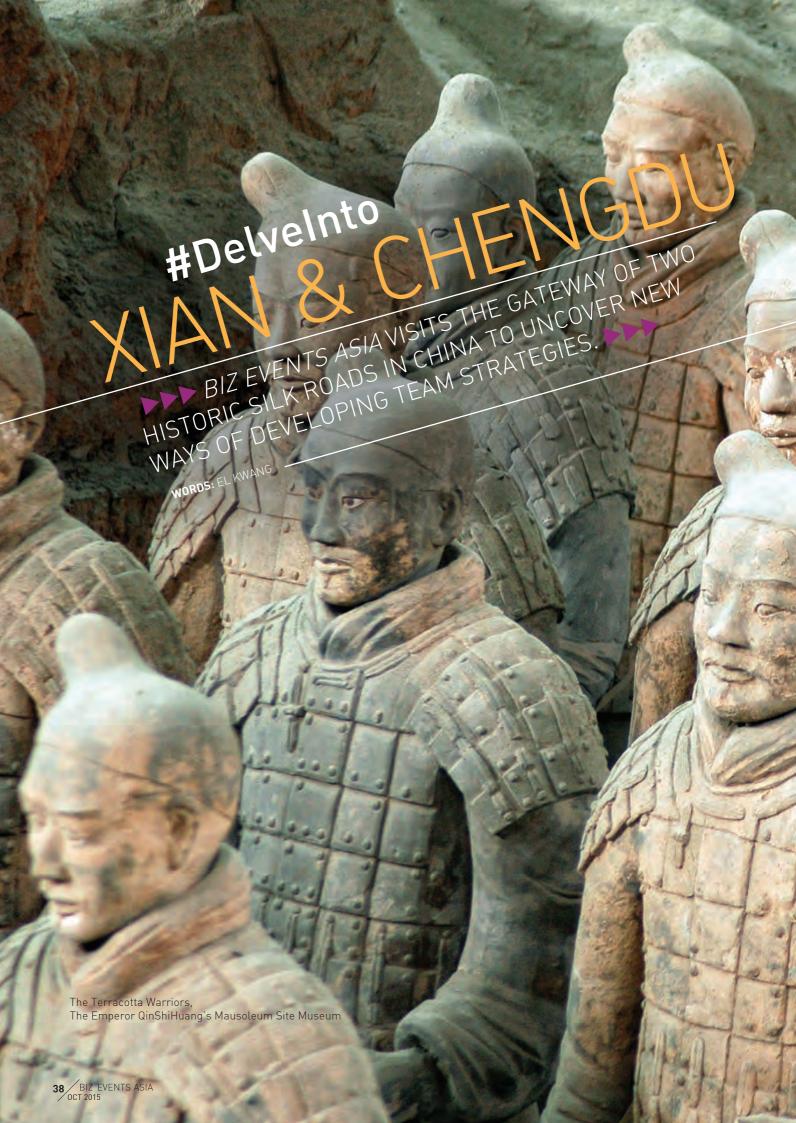
PAYMENT/EXPENSE RECONCILLATION

To help gain buy-in for the SMM programme, implement a solution that streamlines the payment process for meeting planners.



TECHNOLOGY

Use technology to link all the other SMM best practices together but don't assume it will be the ultimate solution. Technology is just one piece of the SMM puzzle.



THE SOUTHERN SILK ROAD

FLOW ONTO CHENGDU FOR MORE
HISTORICAL DISCOVERIES THAT CAN CREATE
TEAM BONDING.

Chengdu, the capital of Sichuan, is known for the Dujiangyan irrigation system, built in 256 BC that over 5,300 sq km of land still relies on today. This system makes Sichuan the most productive agricultural place in China. First-time visitors may notice the laid back attitude of the Sichuan people, which stems from the bountiful harvest and reduced disaster risk since the implementation of the irrigation system.

A visit to the Chengdu Shu Brocade and Embroidery Museum allows delegates to learn about the Southern Silk Road leading from Chengdu to Myanmar, Thailand, India, Central Asia and Europe. The Southern Silk Road, though lesser known, started more than 200 years before the famous Northern Silk Road. China's 4,000-year-old sericulture can be traced back to the ancestors in Sichuan. The English-speaking guide at the museum can take delegates through a series of items that showcase the evolution of art forms and culture through historic patterns used in the brocades. Let delegates spend time observing the laborious work of two masters on an authentic old brocade machine and the intricacy of embroidery.

No visit to Chengdu is complete without feeling warm and fuzzy after a day at the Chengdu Research Base of Giant Panda Breeding. The educational research base is a spacious park



with several enclosures where guests can see red and giant pandas, and be thrilled by a panda nursery and museum.



Opened earlier this year, the **Niccolo** by Marco Polo Chengdu prides itself as a contemporary modernchic hotel. Its name was inspired by Niccolo Polo, the father of Marco Polo and a legendary trader and explorer, whose explorations opened China to the world. The 230-room hotel offers 20 function rooms and seven private dining rooms. The 750-sq m Niccolo Ballroom takes up



to 1,000 guests in a theatre-style set-up and 450 for a banquet event.

In July 2015, Chengdu's Bitieshi Street welcomed **The Temple House**. The hotel embraces a typical Siheyuan (courtyard house) design blended with elements of modern luxury and comfort. Guests can expect service standards set by sister hotels within the Swire Hotels group, such as The Upper House in Hong Kong. The Temple House offers 493 sq m worth of meeting spaces. The 251-sq m space called The Hall is perfect for cocktail events of up to 200 guests or a banquet event for up to 150.

The **St. Regis Chengdu** is located in the heart of Chengdu's CBD and within walking distance to the IFS and entertainment precincts like Taikoo Li. Since its opening, the hotel has successfully hosted events from the medical, real estate, IT and fashion industries. The team is set to deliver memorable events using spaces beyond the 500-sq m Aster ballroom and function spaces on the dedicated events





floors. Introduce and settle the team into the city with a preconference cocktail networking at Vantage XXVII, the hotel's sky bar. For smaller events looking for a special touch, consider bringing the event to the Presidential Suite that takes up the entire 29th floor of the hotel. The 325-sq m suite offers an open-plan living room with stunning city views,

perfect for a luxury product or fashion retail launch of 50-80 guests. The Presidential Suite's swimming pool is the ideal setting for an intimate sunset cocktail party in the summer. Guests can also spice up the evening with an authentic Sichuan culinary experience at Yan Ting, the hotel's signature restaurant.







HUNGRY FOR BUSINESS

HONG KONG'S DROP IN VISITOR ARRIVALS IN 2015 SEES AN UNDEFEATED MARKET FOCUSED ON EXCEPTIONAL VISITOR EXPERIENCE AND SURPRISES.

According to STR Global, the east-west entrepôt experienced declining REVPAR (revenue per available room) results in 2015. Hoteliers have been pulling all stops to fill revenue gaps caused by decreased tourist arrivals from the lucrative China market. This led to Hong Kong industry players embarking on everything from sales blitz to road shows in neighbouring markets Singapore, Japan and Korea to attract more tourists.

The Hong Kong Tourism Board dazzled business events visitors with welcome gift packs at the airport's arrival halls. Aimed at enhancing visitor experience from June 15 to August 31 this year, the Hong Kong Summer Fun – Shop Eat Play packs contained promotion vouchers and gifts, along with a seven-day free wifi pass provided by telecommunications company CSL. The Meetings and Exhibitions Hong Kong (MEHK) is also focused on bringing quality business events into the country. In June 2015, the city hosted two medical events - the International Digestive Disease Forum (IDDF) and the 6th World Glaucoma Congress, where the latter attracted more than 1,900 world-renowned opinion leaders.

Mervyn Tham, head of sales for luxury hotel The Upper House Hong Kong, told *Biz Events Asia* at a recent interview that Hong Kong is still wonderful place to visit despite the business trough. Business event visitors can experience a lot more of the city when they extend their stays. Tham suggested a visit to Tai O, a calming respite away from the city with fresh air completely free from pollution. This fishing village, which is still fully inhabited, is full of rich



"Hong Kong is a wonderful mixedup town where we've got great food and adventure with both Chinese and Western cultures all tied and incorporated into one place."

MERVYN THAMHead of Sales
The Upper House

local culture and businesses. Other interesting places include history-rich temples such as the Wong Tai Sin Temple and the Man Mo Temple, while foodies should not miss the bustling food scene along Hau Fook and Graham streets

To stay ahead of competition in the underperforming market, Tham said that the team at The Upper House has remained focused on delivering quality customer service. The hotel has a stimulating recruitment process

where interviewees participate in a team activity instead of a one-on-one interview, as this is where talents reveal their personality and ability to work in a team. A key service element of The Upper House is the art of anticipation. "We don't wear name tags. And by the time a guest needs assistance, a team member would have anticipated their intentions and approached the guest," said Tham. He also added the team stands out from the pack as priority is placed on delivering exceptional service and not time spent on endless reports and paperwork.





2015年10月份

成本分析

英语中有一个说法:"你必须先花钱,才能赚钱",也就是说先有舍才有得。这句话对企业经营、员工培训或者是建立人脉关系来说,再真实不过了。无论做什么生意,都需要一定成本,而且都有着一定的风险存在。

此时正逢展会高峰季节,作为一本贸易杂志,刊登奖励旅游目的地和豪华旅游等课题无疑将提高我们的广告收入。然而,经过一番的深思熟虑,我们决定在这一期与各位读者讨论有关"采购"这个课题。

对许多杂志社来说,编辑这个职位是不可或缺的。然而,从本期开始,我们决定改变办刊方式,去除全职编辑这个职位,取而代之的是在每一期,安排业内的专业人士担任特邀编辑。或许,一些业内人士对这样的安排并不看好,甚至表示怀疑。可是,我们坚持我们的信念,尝试以特邀编辑的形式为各位读者呈现出一系列有深度且令人兴趣十足的文章。

商务会展业一直在不断地演化发展,Biz Events 亚洲很幸运见证了这些发展。除 了有机会出席全球首选目的地的体验游外,参加许多国际会议中也让我们获得不少宝贵的知识。在香港举行的商务旅行管理者协会(ACTE)全球旅游会议和在墨尔本举行的专业会议管理协会GloPro亚太区研究展示会就是其中两个重要的会议。今年,喜达屋酒店及度假村国际集团在中国西安举行其亚太区客户咨询委员会会议,Biz Events 亚洲有幸受邀出席了这个会议,让我们大开眼界,获益匪浅。

在这一期,我们将深入探讨有关成本管理的最佳实践和团队策略的重要性。客户的忠诚和反馈是企业最宝贵、最可靠的资产。Biz Events 亚洲向来认真听取读者和客户所提供的宝贵意见和建议,并不断地创新改进,使杂志更具吸引力。

在此,我们非常感谢璞富腾酒店及度假村集团东南亚区董事总经理 Josephine Lim 担任本期的特邀编辑。她所撰写的专题文章从买家、卖家和中介的不同角度来探讨采购这个课题,内容中肯,值得一读。



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