

# New Solutions for Meeting Targets and Enhanced Events

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The financial crisis has prompted companies in every industry, in every country to reduce costs, improve controls and increase operational efficiency. Many organisations, for example, have taken the opportunity to exercise control over travel and entertainment (T&E) with corporate card programmes and expense management processes, resulting in reduced spend. Meetings and events however, is an area of corporate expenditure which represents a significant opportunity that is often overlooked. Although economic conditions are generally improving, pressure on senior management to increase visibility over the company's finances, control external costs, and increase operational efficiency continues unabated. Many companies are now looking to maximise cash to invest in the business and enhance competitive opportunity. Focusing on meetings and events is an important way that finance managers can contribute to this objective.

## Quantifying the Benefits

At present, few companies have clear visibility over these costs, which comprise a diverse range of activities, including training, conferences and trade shows, customer or staff events, customer meetings and offsite internal meetings, across all regions in which the organisation operates. The scale of expenditure on meetings and events means that finance managers can make a significant contribution to the business by achieving better visibility

and control over these processes and ultimately reducing costs. According to Aberdeen Group, meetings and events-related costs are typically the equivalent of 2-3% of a company's revenue, although this varies across industries. Based on these statistics, a conservative reduction in costs of 5% a year could result in annual savings of \$1 - \$1.5 million per \$1bn of revenue, as a result of improved operational efficiency and control, compliance with internal policies and working capital benefits, in addition to enhanced leverage with suppliers.

## Identifying Meetings and Events Challenges

Based on client feedback Citi have developed a Meetings Management Maturity Spectrum, which talks to the varying levels of maturity in regards to meetings management and the associated corporate objectives, as figure 1 illustrates.

A typical first stage is to seek an understanding of the scale and scope of meeting and events activity across the business, and to quantify expenditure. This requires focused management attention to be successful, but given the current pressures on costs and efficiency, it is certainly achievable. A checklist of questions to assist in this process is shown in figure 2.

Typically, we find that both the scale of meetings and events-related expenditure, and

the perceived opportunity for improvement are underestimated. One of the reasons for this is that there are a wide variety of stakeholders in meeting and events across the enterprise, many of whom do not communicate routinely on the subject, while information is held in multiple systems and locations. These stakeholders include marketing, sales, human resources, facilities management, procurement and finance, in addition to external stakeholders, such as travel agencies, hotels, airlines, caterers, transport companies, translation firms, trade show organisers and security companies that contribute to the way that a company manages its meetings and events. Establishing an end-to-end meetings management process creates a framework for dialogue across these stakeholders, who can then collectively contribute to its success.

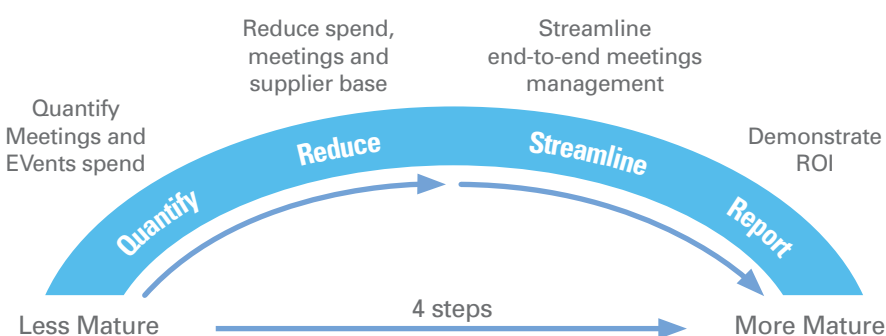
As part of this first stage, implementing a Meeting Card programme can bring immediate benefits by improving budgetary controls and reporting on expenditure. In particular a Meeting Card programme can offer declining balance functionality, which enables budgets to be tracked over the life of the event. This provides specific controls over individual meeting and events budgets.

## Creating Opportunities for Strategic and Operational Advantage

Having assessed the scale of the challenge, and potentially implemented a Meeting Card solution to achieve immediate control and visibility over expenditure, companies typically identify different opportunities and priorities according to their business model, process and technology sophistication. Typical areas of focus for clients in the latter stages of the Meetings Management Maturity Spectrum (figure 1) often include:

- » Improving control over processes and costs relating to meetings and events, to budget, monitor, reconcile and report more accurately;

Figure 1. Meetings Management Maturity Spectrum



- » Establishing control over sourcing of goods and services, including provider engagement, contract management, risk identification and mitigation;
- » Ensuring compliance with policies and achieving visibility over activity and expenditure;
- » Implementing an end to end meetings management solution , e.g. for budget and delegate management, venue sourcing, payment, reconciliation and reporting etc.

In the past, delegate management and sourcing were the most common objectives of meetings and events-related initiatives; today, although these areas remain important, priorities are changing as wider corporate objectives evolve.

### Figure 2. Checklist: Prioritising Meetings & Events Objectives

- » What are the company's policies; how consistently are these applied, measured and reported?
- » What visibility does senior management have over policies, spend, processes and controls?
- » Who are the key stakeholders and what are these people's primary needs?
- » What processes do meeting planners go through today?
- » What approvals are in place for major meetings and events-related decisions, and how consistent are these across the company?
- » What is the process for making payments relating to meetings and events?
- » How are payments to meetings and events suppliers reconciled with specific meetings and events? How consistently are these processes adopted throughout the organisation?

Figure 3. Advantages of an integrated meetings and events solution

Stakeholder	Benefits
Meeting organisers	Book venues, services etc. quickly to take advantage of availability, negotiated discounts etc  Avoid use of personal cards or T&E cards and expense claims  Reduced administrative overheads with an online reconciliation process
Senior management	Policy compliance; immediate visibility over card activity  Appropriate approval levels can be put in place
Meetings and events suppliers	Immediate bookings and guaranteed prompt payment; no delays or unpredictability of invoice payment
Finance, SSCs and Treasury	Achieve visibility of supplier payments made by agencies or other third parties  Streamlined reconciliation and posting of financial data to ERP's  Efficient, cost-effective payments processing, replacing multiple small transactions with a single payment  Manage working capital more effectively. Cash flow requirements can be forecasted accurately and benefit of circa 40 days credit

In particular, finance managers are increasingly recognising the potential benefits of an end-to-end meetings management process, to improve operational and cost controls and efficiency, and as an integral element in an optimised financial supply chain. By integrating processes with a Meeting Card programme for controlling meetings and events expenditure and automating supplier payments, working capital can be better managed. There are also working capital advantages, by enhancing cash flow forecasting, increasing days payables outstanding (DPO) while improving relationships with key suppliers.

### Complementary Solutions

In addition to the immediate benefit of implementing a cards solution, achieving a fully integrated process from organising a meeting through to reconciling supplier payment can then be achieved by implementing an integrated, easy-to-use meetings and events management solution. To enable our customers to achieve this, and realise the same process, control and payments efficiency as other key areas of expenditure such as T&E, Citi recently formed a strategic partnership with technology partner Arcaneo. Arcaneo's Metron™ solution provides

comprehensive, enterprise-wide meetings and events management capabilities, complementing our regional and global card solutions. A combined solution delivers a wide variety of benefits for every stakeholder, as illustrated in figure 3.

### Realising the Benefits

Although meetings and events optimisation is still a relatively new discipline, early adopters have reported substantial tangible as well as intangible benefits. According to Arcaneo, one client recently calculated annual savings of tens of millions of dollars on a meetings and events spend of \$1.1bn per year, as well as reducing paper-based processes, increasing automation and achieving greater efficiency. The combination of regional or global cards programmes with a powerful, easy-to-use meetings management solution has the potential to drive considerable value for large organisations globally that seek to implement financial best practices. With organisations in all industries seeking to maximise liquidity, efficiency and cost control, enhancing meetings and events management can be a vital way of achieving corporate objectives and achieving competitive advantage.