

## **DMC's Deliver Planners can reap ROI by hiring a DMC**

by Ruth A. Hill  
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It's time to plan that event or meeting in a city you know little or nothing about, where you have no business contacts, and the list of supplier needs extend well beyond transportation shuttles. How will you find the right off-site venue and caterer for that important board gathering, not to mention decor? Where are the best restaurants for the dine-around evening, and where can you find the type of local entertainment you want?

As far as the big picture, how will you build this entire occasion to achieve the objectives at hand, not to mention meet the expectations of your C-level executive attendees?

You might assume the search and solve challenges all by your lonesome, or delegate them to your staff—if you have them. You may also choose to rely on the local CVB, or—possibly the best choice for achieving ROI—outsource to an independent DMC (destination management company).

While some experienced planners swear they would never plunge into the unknown without a DMC partner, others tend to try to do everything themselves, assuming they are saving money and the need to explain to upper management why they hired extra hands. Some simply don't know what a right-fit DMC can do for them.

"DMCs are the location experts," says veteran planner Daphne Meyers, CMM, president of The Red Barn Group, located near Fargo, N.D. "I use them for feet on the street—bus staffing, meet-and-greet at the airport, so many tasks that require legwork and scheduling. I could spend my time cold-calling temp agencies to hire 20 staff to man buses in hopes I get reliable people, but I know all \$10-an-hour bodies aren't created equal. A DMC can staff the buses and do a lot more. They know the territory and the people you need. If you spend your own time trying to ramp up somebody to service that venue, I say that's not good ROI. If knowledge and connections are available in a nice little package called a DMC, why not go to them?"

The value of partnering with a DMC is multifaceted, says Meyers and other industry veterans. They can save you time, negotiate costs and services with local suppliers, open doors you could never unlock, persuade the right city bureaucrats to close down a street for your procession, theme and design your parties, and generally make you look good.

They can not only show you a "wow" venue, they also can tell you how they've mounted events there. Lay out your objectives to a DMC pro, and a good one will not only make all the magic happen, they'll also hand you a report afterwards telling you how they fulfilled the objectives you gave them.

### **DMC Evolution**

Although the DMC industry has been around for several decades, today's versions have evolved from small mom and pop businesses launched off kitchen tables into companies that offer traditional DMC services along with a lot else, including everything event and meeting planning. Some operate only in one destination, while others operate in multiple locations.

According to the Association of Destination Management Executives (ADME), qualified destination management professionals are locale-specific logistic and event experts for their respective destination. Their staffs are constantly updated about local venues, costs and how best to make them work for group needs. DMCs act as locale architects and general contractors for meeting planners, hiring subcontractors they know and trust to produce a large event or meeting. DMCs respond to planners' RFPs with proposals that include ideas and costs. Just as convention services managers in hotels and decorating companies in the exhibit hall become extensions of the planner's staff, so does the DMC.

Depending on the individual company and its specialties, a DMC may offer a range of services, including guest destination tours; VIP amenities and transportation; shuttle services; convention staffing; ancillary activities like team building, entertainment, decor and theme development; advance and on-site registration services; housing; and lots of other things a meeting planner might need.

Because the DMC industry is changing, and generates billions in revenues annually, lots of hospitality entities are getting in on the act, including hotels and CVBs. But at the end of the day, it's often an independent DMC company that best fills the event prescription.

"A local DMC is your lifeblood, because they know their own city, what is going on, and who are the strongest partners you can have for your program," says Pat Schaumann, CMP, CSEP, DMCP, president of both ADME and her own company, MAC Meetings & Events in Minneapolis. "In these days of doing more with fewer dollars, DMCs understand about negotiating volume discounts on transportation and other services. They know restaurant owners, so they can ask for deals because it's where they do business regularly," Schaumann continues. "I can't imagine anyone designing a shuttle without having expertise on the local ground movement. These are some of the ways a DMC contributes ROI."

### **Connections, Connections**

Suppose you are going to San Antonio and you want a behind-the-scenes tour at The Alamo for your VIPs. Hiring a company like CE Group Communications & Events will open the right doors.

"We work daily with the Alamo staff," says president Janet Holliday, "and we set up evening tours and private dinners because we have the right relationships with them. They know that when I call they can trust me because I am the face of the group I want to bring in. Also, we can get people into private homes around town, such as the historic Gunther House. We know the family who grew up there."

Meyers agrees. She has worked in Palm Beach, Fla., with a company that can get people inside the doors of the local mega-mansions visitors clamor to see.

"There's this woman who has lived there for more than 20 years and knows many of those very private, wealthy people who are often touchy even about a bus riding by their home," Meyers says. "She is the only person they'll allow to bring in strangers because they trust her. People like her open doors you may not know even exist. She runs tours, events, and generally knows the town inside and out."

### **Supplier Deals**

DMCs also bring ROI to planners by negotiating deals an outsider could not access. From the supplier's viewpoint, it's the difference between bargaining with an outsider who's bringing in one piece of business and dealing with a hometown company that regularly brings business to their door.

"We are allies with our local suppliers, because we work with them all the time," says Renee Mulvey, CMP, president of Destination Connecticut! in Avon, Conn. "We get preferred pricing for our clients with vendors we know to be reliable. For instance, we know that 'ABC' transportation company will show up on time and be courteous."

Laurie Sharp, CMP, president of San Francisco's Sharp Events, says leveraging relationships is at the top of the returns she brings to her clients. Her company offers "one-stop shopping" for meetings and events, with a DMC division as one component of its service repertoire.

"The ROI in working with a good DMC is that you are tapping into their relationships and knowledge, which will save you time, energy, research, and money. For instance, we know if 'X' company is still as fabulous as it once was. We will know if they were just sold and under bad new management."

Saving money is only one advantage in dealing with a local DMC that knows vendors on the ground, Sharp maintains.

"A planner may think that just because they are building an event in the U.S.A. they can get around a city themselves," she warns. "In reality, there are significant regional differences. If something goes awry, say with airport issues or bus drivers, your DMC partner will take care of it. In Hawaii, you can't get meet-and-greet credentials unless you are local, and in New York you have some of the same challenges and regional differences. I say the regional nuances can be like operating in a foreign country, so to be sure everyone is speaking the same language, even though it's English, go to a DMC."

### **Bottom Line Considerations**

Included in the search for the right DMC partner is an agreement on payment for services rendered and possibly a report to detail objectives fulfilled, or ROI.

Schaumann says there are five methods of payment. They include per-attendee charge, percentage markup on the program costs, management fees, cost-plus, and a la carte menu pricing.

"Personally, I prefer a management fee, clean and flat, nothing charged on top of F&B charges, and so on," she says "However, the most popular pricing model is the a la carte—a price on every element in the program, so the planner can just order them. Whatever the choice, it needs to be clear and accountable, so that everything is out there for procurement to see."

Cheryl McShane, president of Milwaukee's Professional Events and Consulting, says she always asks clients up front about goals and objectives for their events.

"Knowing from the start about the client's objectives is the only way we can measure ROI, based upon the goals they give us," she says. "We communicate on that basis continually before, during and after the program, so we can provide documentation after the fact," McShane says.

### **Selling Upper Management**

Some planners hesitate to outsource to DMCs because they know—or fear—they'll need to justify it.

Meyers suggests that convincing the higher-ups of the benefits of hiring a DMC is a relatively easy process.

"I would list the time it would take me—or my staff—to do those tasks, like screening and hiring 20 competent staffers to run the buses," she advises. "That's pretty easy if you multiply hourly rates times the hours needed. The argument is, rather, why wouldn't I spend that money on a DMC, better staff and better venue management? It will come out to less money in the end, thus, better ROI."

Diane Devitt, president of New York City's The DND Group, says some planners resist hiring a DMC because they already have staff and need to justify the need for same by having them do destination research. Others don't have a staff and are killing themselves in doing all the work.

"At the end of the day, if they are truly a meeting manager or director, their role is strategic," Devitt says. "Meetings and events are part of the communication process. If planners were in an advertising department, there would be no question that they'd use an ad agency to expedite their campaign. So why can't meetings and events people come to grips with the fact that the industry has come of age. It's time to outsource! The meeting planner who intends to get above that glass ceiling needs to ask herself whether she is valued for her knowledge of the industry or for her ability to count coffee cups."

## **Finding the Right DMC Stuff**

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DMCs come in many forms, including independent companies, consortia, franchise companies, divisions of CVBs, and multi-destination companies such as PRA Destination Management, PGI, TBA Global Events, and USA Hosts, so finding the right people to bring your meeting ROI can require some homework. According to industry veterans, several routes can lead you to the best choice:

- Know your objectives and the services needed so you can impart them to a prospective partner.
- Consult your professional peers and suppliers in the locale for DMC recommendations.
- The Association of Destination Management Executives' (ADME) website ([www.adme.org](http://www.adme.org)) lists members by location. Find out how many on the staff have industry certifications (such as a CMP, CMM or a DMCP (a DMC certification similar to that of CMP)).
- MPI ([www.mpiweb.org](http://www.mpiweb.org)) offers professional development educational programs and has published a number of articles about using DMCs.
- Ask prospective companies for references of similar programs to the one you are building. Example: You have a meeting of 1,000 going to Dallas. Ask the companies you are considering for three references of similar programs they have recently done.

Daphne Meyers, CMM, president of The Red Barn Group, advises talking to several DMC companies—three to five, depending on the size of your event or meeting.

"Give them some details about your event—not all—and then listen to their spiel. Meet with them first, then put out bids," Meyers advises. "By meeting with them first, you'll get an idea if they are on your wavelength. If they talk only about crystal and over-the-top decor, and your people like hot dogs and beer, you'll know if they get it or not."