

## CASE STUDY

# Streamlining a Program – One Meeting at a Time

The client is a media and print company operating in the United States.

## THE CHALLENGE

The company enjoyed explosive organic growth throughout the 1990's due to a very innovative product and service line coupled with an aggressive sales strategy. By early 2000 the company was in acquisition mode and retained that strategy for the next 5 years. As a result, it found itself integrating and consolidating everything from Human Resources processes to back office accounting systems. While its transient travel program enjoyed modest compliance its meetings management program was in disarray.

The company conducted dozens of meetings throughout the year including general all employee meetings that were held on a divisional level as well as a yearly all hands on deck meeting which included a significant budget around prizes and entertainment. Other meetings included typical President's Club meetings, sales meetings, seminars, and ad-hoc meetings for training and other functions which required 10 or more people to travel to a single location. Over the years the company retained traditional meetings management companies to handle the larger events, its travel agency handled meetings sporadically, and in most cases company personnel at various levels within the organization maintained responsibility for all aspects of meeting planning and execution.

Many challenges existed under this solution. Since virtually none of the meetings spend was consolidated, the company was not able to enjoy any vendor leverage. Many of the meetings management companies used did not provide clear accounting records of hotel commissions received or of costs incurred on behalf of a particular meeting. Additionally, the base fee charged by the meetings management company tended to hover around 15% of the meeting budget which represented a significant cost. For those meetings handled internally, the absence of expertise led to poorly written and lopsided contracts which translated to significant costs.

Additionally, meeting participants found themselves not well represented because internal staff people typically did not travel to attend the meetings to oversee the event. In late 2009, KesselRun was engaged to perform an audit of the entire travel program and was asked, among other things, to pay particular attention to the organization's meetings management program. The only caveat provided to the KesselRun engagement team was that, no matter the findings, the company would never install a "hard mandate" rule into any aspect of its travel program which meant that any solutions would have to be "sold" internally - one business unit leader at a time.

## THE SOLUTION

KesselRun was able to assess the total meetings spend within the organization by auditing each business unit's meetings over the past year and reconciling these activities within the accounting system. Additionally, KesselRun was able to cull together some of the company's past contracts with hotels and airlines to get a sense of lost savings under the current process.

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The initial analysis provided insight and many conclusions were quickly drawn.

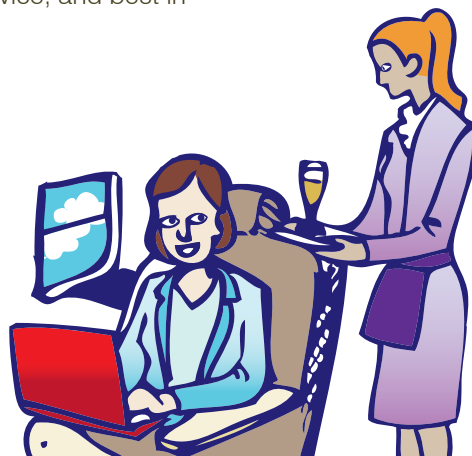
- Third parties were charging too much and not providing adequate accounting of costs
- Significant leakage was occurring internally due to poorly executed contracts and lack of meetings management experience
- Lack of program consolidation caused redundancy in meetings and needed to be controlled

Even before any serious analysis was conducted KesselRun and the client agreed that cost savings/avoidance was intuitive by streamlining the program through consolidation to a single vendor and creating a singular process to ensure quality. However, it was up to KesselRun to prove this model in such a compelling manner as to change years of inefficiency. As a result, KesselRun performed the following tasks:

- Hired an on-site travel manager employed by KesselRun to oversee the entire program
- Implemented best in class meetings management software to handle event registration as well as meeting workflow and budgeting throughout the meeting life cycle
- Developed a ROI model for the company to attract internal customers that highlighted reduced costs, increased vendor leverage, better service, and best in class technology

## THE VALUE

In the first year of operations KesselRun was able to capture nearly 70% of the total meetings spend within the company. At least 15% of the organization's total meetings spend was saved through better process, vendor negotiation, expertise around hotel negotiations, technology, and pure cost savings versus much more expensive third party service providers. Perhaps just as importantly, the internal customer was happy. A one stop shop erased any doubt as to who would handle a particular meeting. And once word spread internally that the new "system" worked well and had the benefit of providing a better, faster, and cheaper model other business units became engaged in the process.



**KESSELRUN**   
CORPORATE TRAVEL SOLUTIONS LLC

8215 Roswell Road  
Suite 925 Atlanta, Georgia 30350  
770.640.9100  
[www.kesselrunconsulting.com](http://www.kesselrunconsulting.com)