

Local Arrangements for a State Division or Regional Meeting, Part 1*

By Tom Straka

**Adapted from a presentation by Tom Straka at the 2001 APSAF Leadership Conference at Brown Summit, NC. This two-part article will also serve as parts 5 and 6 of a summary of the material covered at the Brown Summit Leadership Conference.*

Local arrangements for an SAF Annual Meetings are a big job. Your success will be judged on the quality of the facilities and functions, and also on the profit or loss from the meeting. Meeting quality results from proper planning. The planning process can be broken down into six phrases:

1. Organization and homework
2. Facilities selection
3. Negotiation
4. Committee work
5. Budgeting
6. Implementation

Almost all of your major worries will result from uncertainties in the final budget numbers. Thus, a major part of managing a large meeting comes down to developing and keeping within a budget.

The local arrangements committee represents one of SAF's best leadership development opportunities. It involves teamwork, financial planning, and people skills. It is not surprising that the pool of local arrangements committee and subcommittee chairs is a primary source of the State Division and APSAF leaders.

Organization and Homework

A single person does not handle local arrangements. It involves a committee. Do your homework. How was the meeting handled in the past? What are the normal committees? If it is the Appalachian SAF Meeting, there is a large manual listing subcommittees and duties. Get the budget for the last few meetings to see the size and scope of budget items. Get the meeting statistics for the last few years. This will give you data to answer questions you have to ask before talking to a hotel. For example:

- ◆ How many people usually attend?
- ◆ Are attendees classified by category (member, spouse, students, etc.)?
- ◆ Is percentage of late registrants specified?
- ◆ How many of those attending stay at the hotel and how many rooms do they usually pay for?
- ◆ Will there be concurrent sessions? Will lunch be served in a separate room or in the meeting room?
- ◆ What size meeting rooms are necessary?
- ◆ What kinds of food and refreshment functions occur? When?

This will allow you to quickly identify hotels large enough to be contacted. That is, ones with enough sleeping rooms and meeting room space. Do you want to use a hotel that has meeting room space, but just enough? If you have a noon luncheon, do you want to clear the meeting room while tables are set up for lunch and then clear out again while it is set up for the afternoon meeting? Does the hotel have a room large enough for an evening social?

Facilities Selection

The Chamber of Commerce can be a great resource. Once you know the size and type of hotel you need, let them work up a list of hotels that meet your criteria. Do not allow them to alert city hotels that a large meeting is coming to town unless you want a lot of phone calls and free weekends at the local hotels. Site selection should include a thorough inspection of sleeping rooms, meeting rooms, exhibit space, atmosphere, parking, access, surrounding attractions, elevators, and food quality. If possible, eat at the hotel. If you are selecting from a menu that contains luncheon options, request a free lunch at the hotel during the inspection, with each of your committee trying a different menu item. Usually the hotel will be glad to give someone from the committee a free weekend at the hotel to check it out. Take them up on it for each hotel on your short list. Check out the hotel from top to bottom during the free weekend.



Negotiation

Negotiate, negotiate, negotiate. Then negotiate some more. Do you pay sticker price for a new car? If so, don't even think of taking the job of local arrangement chair. Hotels negotiate at the level of a car salesman. It is up to you to haggle the price down. Everything is negotiable, below is a list of some things that are negotiable.

1. The sliding scale.
2. Room rate.
3. How long they will hold the block of rooms.
4. Meeting-room fees, if any.
5. Parking.
6. Food cost.
7. Outside food. (Can you bring in outside food for an alumni social, for example?)
8. Audio-visual equipment. (Can you use your own or must you use the hotel's)
9. Free rooms for VIP's.

10. Free rooms for you.
11. Beverage cost.
12. Everything else.

Sliding scale, what's that? It is a way to protect the hotel from a loss resulting from too large a room block contracted to a meeting. For example, you expect 100-140 people at a meeting; 80 of them are staying over Wednesday night and 120 of them are staying over Thursday night. We'll assume they all stay in single rooms to keep this example simple, but in the real world you'd have to go back to your data developed in step 1 to calculate actual room nights due to people sleeping more than 1 in a room. So you request a room block of 80-120 rooms held until December 12 (the meeting is scheduled January 12; the hotel will insist on a reasonable time period to fill your unfilled rooms). So you've contracted for 200 room nights.

The sliding scale is a fixed fee for use of the meeting rooms the hotel will charge your groups for filling less than your room block. Perhaps the hotel will be left with empty rooms on January 12 due to low attendance at the meeting. A sliding scale will look something like this:

Sliding Scale	
Room Nights	Meeting Room Fee
101-120	\$2,000
121-140	1,500
141-160	1,000
161-180	500
> 180	Free

The sliding scale is a negotiable item. Negotiate poorly and you'd spend many sleepless nights worrying about attendance.

Room rate has a huge impact on attendance. The length of the room block will also affect attendance. Late registrants may find the hotel full or the attractive groups rates gone. Part of your homework was to determine when meeting notices would realistically reach their audience. The end of the room block should be well after that date. Room rate and the length of the block are negotiable.

People don't like to pay for parking. There is a very common problem that hotels often don't control

the parking for their hotel. Perhaps, parking is in a city-owned ramp next door. If it comes down to parking making or breaking the decision, the hotel always finds a way to work it out. Will the hotel allow outside food or drink (almost never) or can you bring your own audio-visual equipment (almost always)?

Ask any potential local arrangements chair for the definition of "comp". If he or she has never heard the word, move on to a new candidate for chair. Comp refers to complimentary or free. Hotels give lots of comps to groups holding meetings. Most common is one free suite for so many room nights. This is negotiable. Perhaps, you are offered a free suite for both days for each 100 room nights. To start with the 100 is negotiable. You might suggest 2 regular rooms for each 100 room nights. Then you would have 4 free rooms for speakers or VIP's. If you're good, you'll get 2 regular rooms per 80 room nights. Of course, comps have a very positive effect on your meeting budget.

Committees

This works the same way as for any big project. Select your best people. Standard sub-committees are:

1. Facilities
2. Finance
3. Exhibits
4. Registration
5. Favors and door prizes
6. Meeting rooms and a/v equipment
7. Tours or special events
8. Publicity
9. Food
10. Program Committee
11. Sponsors



All of these committees can affect your meeting budget. Often, the most impact can come from the last two committees. The program affects attendance and the committee may incur speaker's expenses. Sponsors represent a significant positive impact on the budget and require a leader with the necessary talent.

Local Arrangements for a State Division or Regional Meeting, Part 2*

By Tom Straka

**Adapted from a presentation by Tom Straka at the 2001 APSAF Leadership Conference at Brown Summit, NC. Part 1 covered organization and homework, facilities selection, negotiation, and committee work. Part 2 covers the all-important budget.*

The Budget

The budget makes or breaks the meeting. The budget determines how much sleep the local arrangements chair loses the last few weeks before the meeting. The budget is used to set the registration rate. The registration rate times the number of people formally attending and paying equals gross revenue from the meeting. (Not all attendees pay and not all pay the full amount.) Gross revenue might be increased if there is exhibit revenue or sponsors. It seems easy to calculate gross revenue, doesn't it? An example below:

Member registration	120 members @ \$100 each	\$12,000
Student registration	20 students @ \$50 each	1,000
Exhibitors	10 exhibitors @ \$50 <u>net profit</u>	500
Sponsors	5 sponsors @ \$100 each	500
Gross revenue		<u>\$14,000</u>

Seems easy? Now you have to worry about the numbers. The registration rates and exhibit rates are now fixed. The sponsor rates are just projections. You don't know for a fact how many registrants you are going to get. What if it is 100 members and 50 students? What if your biggest sponsor was Union Camp and Union Camp existed when you made up the budget?

Costs

Costs are fixed and variable. Fixed costs are costs that do not vary with attendance. You get 10 registrants or you get 1000 registrants, fixed costs remain the same. Fixed costs are things like:



1. Mailing registration material to all SAF members in your division.
2. Audio/visual equipment rented.
3. Meeting rooms paid for (however, most meetings rooms should be free).
4. Food ordered prior to the meeting and contracted for regardless of attendance. Example: guarantee 100 for lunch or order \$7,000 of food for the social.

Variable cost varies with the number of registrants.

Variable costs are things like:

1. Food, if the hotel agrees that you can specify attendance the day before the lunch and lunch will cost \$14.89 per person +++ plus tip. OK, what was that +++ plus tip stuff? Hotels know that almost you are probably comparing hotels and food is an expensive item. So to be competitive they almost always quote a base price without things like taxes and tips included. In this case it means plus 6% state sales tax, plus 2% city sales tax, plus 5% city accommodations tax, plus a 15% tip. Or, it means \$14.89+ 90¢+30¢+75¢+\$2.53=\$19.37. Not a big

deal? That is \$4.48 extra for each registrant and just for lunch. Using the figures above we are feeding 120 members, 20 students, and 10 exhibitors. $150 \times \$4.48 = \672.00 , or an extra 5% of your budget.

2. Food. The social tends to be the big budget item. The hotel wants to make its life easier and would strongly prefer for you to specify exactly what food you want. Also, how many bars and how many bartenders you want to hire at \$40.00 an hour. What you want is a price per attendee at the function. Perhaps \$20.00 per person will pay for all the shrimp, cheese, dips, meatballs, chicken, vegetables, and sliced beef the crowd wants. The hotel may have several options at various prices. This puts the worry on the hotel as to how much food is necessary and you pay for exactly what you need.



Worst-case scenario. You commit to 150 people at the luncheon. But the hotel is generous; you can reduce it to 130 up to 24 hours before the meeting or up to 170. Also you order \$7,000 of food for the social. Well, an ice storm occurs and attendance turns out to be 100 people. You did not have an ice storm clause in your contract. That means attendance is now 80 members, 10 students, and 10 exhibitors. Gross revenue becomes \$9,500. Lunch is now $130 \times \$19.37 = \$2,518.10$ and the social is still \$7,000. So food is now \$9,518.10. How are you going to pay for all the other expenses?

Better-case scenario. You kept costs variable. Lunch is \$19.37 per person and the social is \$46.67 per person. Food cost is $100 \times \$66.04 = \$6,604.00$. You still have \$2,896.00 in the budget.

3. Most everything else can be made variable. Do not agree to a fixed fee for exhibit space. Try to get it free first. But if you have to pay, try to pay per exhibitor or exhibitor table. If meeting rooms are not free at least try to make the fee variable.

Fixed costs are to be avoided. Variable costs will make your life much easier as local arrangements chair.

Case Study—The Society Summer Meeting

You have the responsibility of local arrangements for the Society Summer Meeting. The hotel has already been selected and you have to negotiate a contract and set a registration fee for the meeting. The Division Executive Committee has decided you should build a \$10.00 buffer into the fee to avoid a loss, or preferably produce a profit.

The necessary data are below. What are the major concerns for contract negotiation and what should the registration fee be?

Attendance				Sliding Scale	
Year	Member	Spouse	Student	Room Nights	Meeting Room Fee
1995	125	4	10	< 200	\$2,000
1996	198	15	22	200-250	1,500
1997	101	17	17	251-300	1,000
1998	201	25	30	301-350	500
1999	232	21	33	> 350	Free

Food and Refreshments

Coffee is \$40/gal. Breakfast pastries are \$1.00 ea. **Or**, hotel will furnish continental breakfast for \$3.50/person. Lunch has been selected already and will cost \$15.00/person. The social will have heavy hor d'oeuvres and a cash bar. Each bar will cost \$250 per bartender. There are two options for the social food—you have selected a fine mixture of food that will cost \$2,750.00 **Or**, a per head deal is available, not as nice, but cost is \$15.00 per head. There are two scheduled breaks. Coffee is priced above and soda is \$1.00 per can. Cookies are \$1.00 ea.

Other Considerations

Three alumni groups want to meet on Thursday night. They each need a room. The hotel says fine and the cost is \$250 ea. The spouses would like a room to meet before scheduled activities. The hotel again says fine and the cost is \$250/day. If you use the hotels audio-visual equipment the cost is \$500. You can avoid this cost by bringing equipment from three organizations and setting it up yourself. You expect 10 exhibitors and the hotel will charge you \$100 per exhibit space. A 15% tip is added to all food. Sales Tax is 7%. Local hotel tax on food is 3%.

What is the registration fee?

I like to keep things simple, both in terms of this example and the real world. So this example is not overly simplified; it is exactly how the meeting would be budgeted in the real world. First, notice all the food is a variable cost. Second, the exhibitor fee (which often includes a "free" registration or two) is set to cancel out the audio-visual fee. One place to splurge is audio-visual; the hotel has just the right equipment for each room and the people to set it up properly and maintain it.

Food

Breakfast \$3.50 x 2 = \$7.00
 Lunch = 15.00
 Social = 15.00
 Breaks \$2.00 x 2 = 4.00
 \$41.00(1.265) = \$52.00

Exhibitors

Charge \$200 each = \$200.00
 Hotel charge = 100.00
 \$100.00
 1 free registration = 52.00
 = \$48.00
 10 exhibitors x 10
 Total profit = \$480.00
Audio/Visual = 500.00
 Wash

You ought to be able to negotiate away the alumni and spouse room fees. After all, they will probably buy hotel food and have a cash bar. It looks like in this simple scenario, that there is a variable cost of about \$52.00 per person. Prior registration history suggests that we expect between 125 and 200 attendees. We'll ignore the complication of differential fees for members, spouses, and students. We'll also ignore the fee for late registration.

The variable cost per registrant is \$52.00. If we charge \$60.00 for a registration fee the variable profit per registrant is \$8.00. Let's start our calculations with an assumed attendance of 150. Then for a registration fee of \$60.00, our total profit is \$8.00 x 150 = \$1,200. However, 150 registrants means 300 room nights and a sliding scale cost in the \$500 to \$1,000 range. That eats up the profit. Let's build that \$10.00 buffer into the cost. Registration moves up to \$70.00. Then variable profit per registrant is \$18.00. And if 150 registrants show up the profit is \$2,700.00. That makes the planner feel pretty comfortable. However, he knows that not everyone will stay at the host hotel and that some speakers will ask for travel costs. So, he settles on a conservative \$75.00 registration fee.

Sensitivity Analysis

Worst Case

100 x \$75 = \$7,500
 - 5,200
 \$2,300
 Sliding scale - 2,000
 Profit \$300

Expected Case

150 x \$75 = \$11,250
 - 7,800
 \$3,450
 Sliding scale - 1,500
 Profit \$1,950

Best Case

200 x \$75 = \$15,000
 - 10,400
 \$4,600
 Sliding scale - 0.00
 Profit \$4,600

Implementation

This is the easy part. At least if you chose your subcommittee chairs well and budgeted properly. It is a wonderful feeling to see a meeting come together. Your key people need to be at the hotel early. Your committee needs to meet the staff and to know who to contact if problems arise. Only a limited number of people can sign for charges. The meeting should almost be on autopilot. Key committee members need to stay at the hotel, even if they live near to the hotel. You can't handle problems from 20 miles away. Besides they can stay in some of the free rooms you negotiated. You'll probably even find a free bottle of champagne in your free room. I usually also get a free snack and fruit tray, but then again I know how to negotiate.