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## **DESTINATION MANAGEMENT COMPANIES**

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### **DESTINATION MANAGEMENT COMPANIES**

- Can you describe, simply, for those who may not know, what you do and how you fit into the event management team?

*A full service DMC offers group leisure activities in the destination, including group tours, ground transportation, special event production, spouse/guest activities, team building & sporting events, and more. They are a tremendous resource to the planner, saving him/her time, money, and headaches.*

*The definition of a DMC as created by ADME (the Association of Destination Management Executives) is; "A DMC is a professional management company specializing in the design and delivery of events, activities, tours, staffing and transportation, possessing and utilizing extensive local knowledge, expertise and resources."*

- Can you explain the role of DMCs in the meeting planning process, i.e. How do DMCs prefer to work: directly with the buyer, or as part of the event management team?

*The DMC is the best local resource to the planner often acting as an extension of his or her own staff. The analogy I often use is that of a General Contractor. Meetings, conventions and incentive travel programs are a lot like designing and constructing a building or house. It takes a team of specialists (contractors) to do the job. Most people are much better off hiring a contractor to help build their home, versus trying to do it all themselves. The DMC is the local contractor, fully staffed, experienced, licensed, insured and best equipped to do the job in the destination of choice.*

*Until they found us, some planners spent so much of their own valuable time and their organization's resources researching, selecting, contracting and managing all the local sub-components (like caterers, décor companies, entertainment, transportation), not to mention staff, to produce events themselves. In almost all cases they would have saved more time and money contracting a good DMC to do it for them, and received much better results. Nothing can replace the extensive local knowledge, expertise and resources of a DMC.*

- How would a client go about making the best use of your services? What would they bring to the table to make your job of planning a program easiest?

*PLEASE REFER TO MY DOCUMENT TITLED "SELECTING THE RIGHT DESTINATION MANAGEMENT COMPANY". [below]*

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Some time during the 1960's, as a response to meeting and convention planners' desire for custom group leisure activities during their programs, a new business was born. Referred to as Ground Operators, they were mostly small entrepreneurial enterprises, operating in a single destination. These local companies offered basic services including Airport Meet and Greet, Transportation, Tours, and Recreation (golf) for groups.

In the 1970's, many of these companies added Custom parties and Themed Events, as well as Spouse/Guest Programs, to their list of services. The term Destination Management Company or "DMC" was coined to describe the expanded role they played as local experts. Marketing Alliances such as The DMC Network and The Contact Group were formed by the leading DMC pioneers to provide networking and referrals within an exclusive group.

Services that can typically be obtained from DMCs include:

Airport / Meet & Greet	Site Inspections
Transportation / Shuttles	On-Site Staff
Group Tours	Dine-a-rounds
Recreation & Sporting Activities	Team Building Activities
Special Event Production	V.I.P. Hospitality
Spouse/Guest Programs	Children's Programs
Road Rallies	Gifts & Amenities
Entertainment	Pre/Post Programs
	Etc.

During the economic boon of the 1980's, Destination Management Companies flourished, further expanding their role in the meeting, convention and incentive travel industry. New DMCs were popping up everywhere, bringing fierce competition to many markets. And strong national and regional companies emerged. As a 1991 cover story proclaimed, "A Cottage Industry Comes of Age!"

Then the recession of the late 1980's and early 1990's caused a couple of major shifts. More companies were competing for fewer dollars. Organizations were forced to cut their meeting (recreation) budgets. Other suppliers like hotels, decorators, and transportation companies began offering similar services. Some DMCs began traveling with clients from destination to destination.

In the 1990's, we've witnessed for the first time, aggressive expansion and "corporatizing" of the destination management business. What I call National Branding. Mergers and acquisitions, joint ventures, cooperative marketing agreements, and even franchise offerings have changed the face of Destination Management Companies. My

parent company PGI [previous], for example, was formed through the synergistic acquisition and merging of Production, Staging, Entertainment, Destination and Exhibition services into a Global Events Agency.

### **Association of Destination Management Executives**

June of 1995 marked a significant milestone for DMCs, the formation of the Association of Destination Management Executives, or “ADME.” This was recognition of Destination Management as more than a vocation, but a viable industry within an industry.

Formed as a non-profit, non-partisan, international trade association, ADME has grown to almost 200. It is the source for Destination Management information worldwide, and has become the spokesgroup for the Destination Management Industry.

The Mission of ADME is as follows; **“To increase the professionalism and effectiveness of destination management through education, promotion of ethical practices, and availability of information to the meeting, convention and incentive travel industry, and the general public.”**

ADME’s definition of a Destination Management Company reads as follows; **“A professional services company, possessing extensive local knowledge, expertise, and resources, specializing in the design and implementation of events, activities, tours, transportation and program logistics.”**

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The definition identifies the **dual role** the Destination Management Company plays, in both designing and implementing programs for their clients.

A DMC is like the architect, utilizing their unique knowledge and experience (of the destination) to design a “blue print” which fulfills the client’s needs and desires, optimizes the available resources, and adheres to the limitations and requirements of the area.

A DMC is also like the general contractor who “builds the building.” They possess the skills, resources and relationships to see the job through. They develop the bid, hire and manage their sub-contractors, relate to all outside agencies for permits, insurance, etc., manage the finances of the Job, provide constant supervision on-site and over-all project management.

An analogy I often use is the people who attempt to add on to or remodel a house themselves, in an attempt to save money. A seemingly simple project, they think. Inevitably, halfway through the project they lament over the fact that they would have saved more time and money, and achieved a better result by hiring professionals to do the job.

### **Outsourcing a DMC**

The process of selecting a DMC for your program can be quite simple. Prior to identifying DMC candidates, it is wise to address the following internal questions:

**1) What is the nature/purpose of this program, (i.e. Education, trade show, product introduction, etc.)?**

**2) What are the objectives/goals for this program? How will the DMC services contribute to the accomplishment of these goals?**

Setting goals & objectives for the program will not only help you in selecting the right DMC, but also in evaluating their performance during and after the program.

**3) What is the process you will use in selecting a DMC for this program?**

Agreeing on and clarifying the decision making process will save you time, and by sharing this information up front, you will get the most out of your DMC candidates.

**4) What criteria will the final decision be based on?**

Again, establishing this up front can save you and the candidates valuable time and avoid frustration.

The attached **Checklist**, titled "Selecting the Right Destination Management Company" can be used as a guideline for those new to using DMCs.

# ***Selecting the Right Destination Management Company***

## **Guidelines for Outsourcing a DMC**

### **I. IDENTIFY CANDIDATES**

#### **Where to look:**

- The Association of Destination Management Executives (ADME). The most professional DMCs will be members.
- Membership directories (i.e. ASAE, MPI, SITE).
- Word of mouth (your peers).
- The city's convention/visitors bureau.
- Ask the hotel for their top three recommendations.

### **II. NARROW THE FIELD**

#### **Evaluate companies based on:**

- How long the firm has been in business.
- Are they a licensed business or Corporation?
- Visit / inspect their offices.
- What is the experience level of the employees?
- Are their values & personalities compatible with yours?
- Who will be on-site during your program?
- Can they be reached after hours?
- Preview their contracts and terms.
- Require proof of at least \$1million insurance coverage.
- Ask for certificates of insurance from vendors.
- Request a list of references that you can contact with programs similar to yours in size and scope.

### **III. MAKE YOUR CHOICE**

#### **Schedule Presentations:**

- Notify eliminated firms and thank them for their efforts.
- Give your finalist(s) all the group particulars:
  - Group Demographics
  - Specific Interests/Activities
  - Program Agenda/Time constraints
  - Past Program Information/History
  - Program Budget

### **IV. REQUEST A PROPOSAL**

#### **Specify requested services:**

- Meet & Greet/Airport transfers
- Shuttle/Transportation Services
- Tours & Recreation
- Special events/Parties
- Dining Arrangements
- Gifts & Amenities
- Other Services

## **V. SHUTTLE SERVICES**

### **Elements to compare:**

- Number of passengers assumed.
- Quality & quantity of vehicles.
- Proposed routes.
- Average passenger wait times.
- Number of staff included (on vehicles?).
- Quality & quantity of signage
- Shuttle experience of bidders
- Give them group patterns/history

## **VI. TOURS & RECREATION**

### **Establish parameters:**

- Times/Dates available for tours & recreation.
- Are they hosted, or do individuals pay?
- Do spouses/guests participate?
- Include lunch/dinner as part of the activities?
- Include on-property programs at the hotel; fashion shows, educational seminars, craft workshops, local speakers, or celebrities?

## **VII. SPECIAL EVENTS**

### **Special Considerations for Special Events:**

- How much experience does the DMC have producing special events?
- What events has the DMC created (similar to yours)? Check references & request photos/video.
- What resources does the DMC have in-house vs. subcontracted?
- Has the DMC produced events at the venue before?
- Are all expenses (i.e. power) included in the proposal?

## **VIII. PROGRAM FOLLOWUP**

### **At the end of your program:**

- Ask attendees to evaluate the DMC services.
- Record actual numbers of participants on each activity (tours, shuttle, etc.) for next program.
- If you were pleased with your DMC, ask for suggestions for future programs.
- Ask them for a listing of their other locations, or recommendations of other companies in cities where you will be planning programs.

*Adapted with permission from "Selecting the Right Destination Management Company,"©  
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