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Feature - September 2010

Destination Management Companies

The City Experts

Willing To Go Above and Beyond



The following is an excerpt from September/October, 2010 issue of Corporate & Incentive Travel written by Derek Reveron

Ever feel stranded and alone in a strange city? With no one to turn to for guidance and recommendations except your smart phone and the concierge? Savvy planners know that a respected, certified destination management company (DMC) can provide timely, expert service that goes above and beyond and even be a meeting lifesaver in a pinch.

As meeting planning departments have been downsized and planners continue to do more with less, the idea of using a DMC sounds better and better. As you navigate your way towards choosing the best DMC for your meeting, here are some ideas and considerations from fellow planners.

Where To Start

Referrals are the lifeblood of DMCs, which often land clients based on recommendations from other professionals in the meetings and conventions industry. Case in point: A direct marketing corporation held a meeting in St. Louis and asked its DMC to recommend another DMC for the company's next meeting to be held in Memphis in August. The St. Louis DMC recommended Destination King, which contracted with the direct marketing company to plan activities for a three-day sales meeting with 1,200 attendees.

Destination King met with the company's planners and officials and learned that they knew little about Memphis. "They were looking at doing most of their events at the Memphis Cook Convention Center and didn't know everything else that was out there," said Kevin Brewer, DMCP, COO of Destination King, a GEP Partner, and president of the board of directors of the Association of Destination Management Executives (ADME). He added, "The worst thing a city can be is a best-kept secret. There are so many great things going on here — so many attractions, events and unique cultural experiences that make this a great place to meet."

Brewer asked the company about its meetings budget. "They were very forthcoming with me on the front end about the budget. We told them what we could do at the convention center and at other sites within the same budget," said Brewer.

Finally, the company accepted a package that entailed exclusive use of an entire block of Memphis' Beale Street — the legendary world-renowned home to blues, R&B and soul music venues. Prior to arriving in Memphis, the group received registration packets that included videos featuring owners of the venues and local personalities describing what a good time they would have "owning" Beale Street.

For one evening, from 6-10 p.m., the group had exclusive use of seven Beale Street venues, including Club 152 on Beale, a three-story facility with a live band, a sports bar and a dance club; Blues City café and its Cadillac Room; and Miss Polly's Soul City Cafe. Musicians performed in the street and banners bearing the company's name were hung outdoors. The group also held a reception at the former home of legendary Stax record company and mingled with some of the label's soul music artists of the 1960s and 1970s.

The marketing company's meeting in Memphis illustrates how DMCs can assist corporate planners who aren't familiar with a destination or don't have the time to research and develop local vendor contacts. Deciding when to use and how to choose a DMC or independent meeting planner that offers some of the same services can be tricky for corporate planners, especially those with little or no experience.

Deciding Factors

Deciding when to use a DMC depends on several factors, including meeting size and activities, destination, budget, staffing requirements and familiarity with the destination. "We use DMCs specifically when there is a city we aren't that familiar with, and where we don't have defined vendor relations that a DMC would be helpful for, such as décor, transportation, teambuilding and offsite events," said Allison Kinsley, CMM, CMP, chief meeting architect at Kinsley Meetings, a Littleton, CO-based full-service meeting management company with 10 employees that handles mostly corporate clients.

She cited other factors to consider when deciding whether to use DMCs. "Use DMCs when you don't have the internal resources to get something done and can identify external sources. That's a compelling reason. For instance, if I need to staff the movement of a lot of people, and I don't want my staff to take on something that will stretch them too thin, I might hire a DMC," said Kinsley.

Use DMCs as partners who will go out of their way to provide knowledge, services and contacts in a destination. That's the recommendation of Danielle Strong, CMP, managing director of Sterling Events in Clemmons, NC. Sterling Events is a multiservice meeting and event planning company, specializing in corporate and association planning, destination management and incentive travel.

When Strong planned a corporate meeting in Chicago, she decided to hire a DMC because she didn't know enough about the city to plan certain aspects of the program. She sought references for Chicago DMCs and talked with them by telephone. "The ones that were willing to go above and beyond, I partnered with. They offered information about the city and how to best navigate it and the best suppliers outside of the DMC to work with for other things. They were like a secondary planner. I was willing to spend a little more money with them because they helped me know more about the city and possibilities than just the décor, where to have my opening night party and what band to book," said Strong.

Services that DMCs and independent planners offer can vary widely depending on their size, specialties, location, pricing and experience of the operators. Full-service DMCs come in all sizes. Corporate planners have more DMC choices than ever, partly because many unemployed meeting planning professionals are starting up their own businesses. There are small start-up DMCs that specialize in specific areas and serve one destination, and there are large DMCs with offices nationwide.

Certifications

Many DMC operators have various professional certifications such as a Destination Management Certified Professional (DMCP), Certified Meeting Manager (CMM) and Certified Meeting Planner (CMP). While certifications are an important factor in selecting DMCs, they aren't definitive, because some operators without certifications may provide great services, especially in selected areas, according to some meeting planners. "Certifications show that the person took the time to learn the most they could about their profession, but I am a firm believer that time in the job and variety of experiences give you the best DMC professionals and meeting planners," said Strong.

The Association of Destination Management Executives (ADME) has long urged DMC operators to earn the DMCP certification, and encourages them to also earn the organization's Accredited Destination Management Company (ADMC) designation. The purpose of the designation, which ADME started offering about two years ago, is to "elevate professional standards and designate firms that demonstrate advanced knowledge and experience essential to the practice of destination management," according to the organization.

The ADMC certification has several requirements, including the following:

- ✦ Provide four of the following DMC core services — tours, special events, staffing, program logistics and transportation coordination.
- ✦ Maintain comprehensive insurance, including at least \$1 million in general liability.
- ✦ Be in business for at least five years.
- ✦ Earn 80 percent of revenue from DMC services.

Maintain at least three full-time employees, including one or more with DMCP certification.

The charter class of 24 DMCs representing 34 office locations received ADMC accreditation in 2009. To date, there are 52 ADMCs.

Corporate meeting planners should consider ADMC certification as a criteria in their selection process. Choosing the right DMC is important because there is a wider variety than ever partly due to the many meeting professionals who lost their jobs and launched shops that offer DMC services.

Some new and small operations that market themselves as DMCs may specialize in specific areas such as staffing, catering, transportation, décor or booking venues. Such DMCs often aren't full-service DMCs, said Brewer. "Some people work out of their home. It's not that they are not professional, but some companies starting up aren't on the best financial footing or promise to do things that they really can't do," said Brewer.

He noted that small DMC startups often have growing pains. "We find people who think they can handle DMC logistics on their own. But they find they have to deal with multiple vendors, and it's taking away from their time to find other clients," Brewer added.

Ask Questions

Because the services that DMCs offer may vary widely, meeting planners tend to stick with those that provide good service and value. But sooner or later, most planners hire a DMC they have never used before because they know little

about a destination. The first and perhaps most important step to hiring a DMC involves obtaining referrals.

Ask for referrals from DMCs, meeting planners, CVBs, hotels, convention center staff and the ADME. "The first thing I would recommend is go to the ADME website (www.adme.org) and look up ADME-certified DMCs. Ask about them through peers and colleagues. They usually have insights into who is strong in any given city," said Jennifer Miller, DMCP, general manager of the San Diego office of Access Destination Services.

When talking to referrals, it's important to ask questions that can prevent surprises and disappointments in services and pricing. Consider asking the following questions:

- ★ Was there any aspect of the service that disappointed you because it was different from what the DMC promised?
- ★ Was there any service that was not delivered on time?
- ★ Did the DMC accurately portray its specialties and strengths?
- ★ Were you satisfied with the variety of alternatives that the DMC presented for events and activities?
- ★ Did the DMC go above and beyond its responsibilities to help you?
- ★ Did the DMC provide pricing transparency upfront or respond to requests to supply such information?

What percent of the total cost of goods and services does the DMC require upfront as a deposit? (Some DMCs require up to 100 percent upfront payment for some goods and up to 70 percent for services.)

Use referrals to help create a list of potential DMCs to hire, check their websites and call the firms to confirm the services they offer. Interview the finalists by phone or in person. Some meeting planners will not hire a new DMC without first meeting with the organization's principals. "Don't hire a DMC sight-unseen unless it's part of a major multicountry company, and you have already used their services and are satisfied. Typically they will offer good service," said Strong.

When screening DMCs, it's important to ask about insurance coverage, especially if it's a small DMC shop. Planners should make sure that DMCs under consideration have the right amount of liability insurance and other coverage. Nowadays, it's also essential for planners to determine whether a DMC is financially solid and will be in business in several months to deliver the services promised.

Jennifer Miller, DMCP
General Manager
Access Destination
Services
San Diego, CA



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what can we work out," said Strong. In cases like that, the planner may hope that the DMC wants the business badly enough to reduce prices for the same services, said Strong. She suggests that DMCs and planners should be forthcoming from the start about budgets and pricing.

Final Thoughts

Now planners are equipped with all the inside information needed to start building a solid network of trusted partners from coast to coast so they'll never feel stranded again in a strange city. **C&IT**

Details, Details, Details

After narrowing down the list of DMCs to finalists, meeting planners should create as detailed an RFP as possible because it improves the chances of getting the best value. DMCs don't use standard pricing models and have different fees, prices and costs, and may break them out differently. Some DMCs use à la carte pricing; some use pricing packages; and others employ a combination of both. One DMC operator said that some in the business don't give more detail about pricing than planners demand. That's why it's crucial for planners to request price breakdowns for specific services. "It's important to send out very clear RFPs outlining how you would like to see the pricing. The clearer you are about what you want, the better chance you have of getting information quickly," said one DMC operator.

For their part, meeting planners sometimes hesitate to provide precise or complete budget information to DMCs. "Some people hesitate to give us a real budget because they think we will either go over it or try to hit it right on. But it allows us to eliminate a lot of work for us and the planner," said Brewer.

Providing realistic information about meeting budgets may help negotiations between DMCs and planners go more smoothly. "Sometimes it challenges the partnership between DMCs and planners if they say they have \$30,000 to spend and the DMC gives them a proposal based on that amount, then the planner comes back and says the budget was cut so

Since 1970, ACCESS Destination Services has provided the highest caliber of full-service, professional destination management and event production services in the West, including Anaheim/Orange County, Las Vegas, Los Angeles, Northern CA, Palm Springs, San Diego and Wine Country. www.accessdmc.com