

# **SIXTH IMEX POLITICIANS FORUM**

**Frankfurt, Germany, Tuesday April 22, 2008**

The 2008 Politicians Forum, an IMEX New Vision Project, was held once again under the auspices of the Joint Meetings Industry Council (JMIC) whose membership comprises international meetings industry associations. The co-organiser was European Cities Marketing (ECM), a network of leading tourist offices and convention bureaux from 130 destinations across Europe.

A record 25 politicians representing local and regional government in Europe, Africa, Australia and Canada welcomed the opportunity to meet with 80 or so members of the world's conference community and discover the benefits to be derived locally from hosting meetings and events. At the same time, by inviting politicians to make presentations alongside members of the meetings industry, greater emphasis this year was put on their side of the equation, what is going on in their cities and countries and their messages to meeting suppliers on how to get more government support and investment in facilities.

The Forum was split into two parts, the first at Messe Frankfurt, the venue for IMEX, where the guests were also able to visit the show and meet with exhibitors, and the second at the Frankfurt Inter-Continental Hotel.

## **SOME KEY QUOTES FROM THE FORUM**

- Meetings and events are an integral part of a destination and its destiny
- Facilities and services need to meet truly international standards
- Meetings are a very stable industry
- When it comes to choosing a destination, the enthusiasm of the local people, the venue and safety count most
- Meetings are the lifeblood of corporate organisations
- Anything that is a controversial or complex issue now has a conference running alongside it
- Meetings are a force for good in the world
- Meetings iron out seasonality in hotels and other city attractions
- If you're investing in a centre, be prepared to invest in expansion
- International standards, qualifications and certification are the way forward
- Meetings can help deliver the green agenda

### **Part 1**

#### **THE MEETINGS INDUSTRY'S MESSAGES FOR POLITICIANS**

##### **NOT ONLY ECONOMIC BENEFITS...**

##### **Michael Hirst, OBE, Chairman, UK Business Tourism Partnership**

In his introduction, moderator Michael Hirst explained that in previous years the focus of the Forum had been on the economic impact to local communities of hosting meetings. This time, he said other strategic benefits would be highlighted, including the social and environmental benefits.

"Events are the 21<sup>st</sup> century drivers of visitor traffic, national and regional economic performance, physical and social regeneration and cultural and educational development. Whether they are international congresses or major exhibitions, sporting occasions or cultural festivals, they all have the power to attract large volumes and fill destinations regardless of seasonality. Meetings and events are an integral part of a destination and its destiny."

## **NEW CONDITIONS – NEW CHALLENGES**

**Rod Cameron, Criterion Communications Inc, Vancouver, Canada**

An expert on destination and convention marketing and strategic planning, Rod Cameron was invited to give an update on the latest developments in the meetings industry which might influence politicians in their decision-making regarding the local conference infrastructure. "You are here because either you already are or you are considering becoming engaged in and investing in the meetings industry," he told them. "With that kind of investment goes responsibility and part of that is that you understand how the industry works and how to make that investment pay off."

First, he addressed the question of why they should care about investing in conference facilities. He described the economic role meetings have within a community, the business development role and, thirdly, the community enhancement role. Meetings expand professional development opportunities, help build a positive destination profile and support government services by generating non-resident tax revenues.

But investment in the conference infrastructure, such as a new convention centre, does not bring immediate rewards, he explained. "This is a very long lead time kind of business. The investment you make today may not deliver benefits to your community for seven or eight years." He also said it would not be a one-off investment. It was an ongoing responsibility "Competition is furious and without ongoing investment very few in this business remain competitive."

"Clients are getting much better informed about the economic benefits to the community and increasingly using that leverage to their advantage in negotiating with you as destinations and your facilities. And that means you have to think increasingly about overall economic benefit - revenue is only a small part of the story. The real money is throughout the community and that again is an ongoing responsibility."

He said destinations should get to grips with the fact that meetings are an international business – many of them rotate around the globe - and facilities and services need to meet truly international standards. Increased client expectations go hand in hand with this.

The nature of meetings is changing dramatically, with a shift in emphasis from content to interaction and other means of communicating. It is the whole delegate experience that is important, including the impressions they take away from the destination. "This is a huge challenge and a huge opportunity for destinations as it is you and your communities who shape that experience."

He mentioned the tremendous concentration of buying power for events these days, organisations that have a lot of leverage and power to negotiate.

Economic recession is obviously a major concern just now and he explained that although meetings are very cyclical, which is why destinations must always think long-term, they are a very stable industry. Events are seldom cancelled, even if attendance goes up and down, and it is a business that always rebounds very quickly.

## **WINNING THE BUSINESS – A CLIENT'S VIEW**

**Richard Holmes, International Director of Meetings for the International Bureau for Epilepsy and the International League Against Epilepsy and founder member of the Associations Conference Forum**

Richard Holmes was keen to impress upon the politicians and city leaders the differences between meetings and the corporate and leisure travel sectors and, because of the long lead times for association meetings, the importance of clients and destinations building relationships. "The best way to sell your city and build client confidence is to show passion about it," he told the guests.

He also wanted to point out how, quite apart from any economic benefits, hosting an international conference on disabilities such as epilepsy or AIDS raises awareness of the condition through national and local media coverage, and the unique opportunity to further the education of local physicians when well known opinion leaders in the field attend.

As an indicator of the size of the market these days, he said 400 people attended the first international congress on epilepsy he organised in 1976. When he organised it in Dublin again in 1997, there were 5,500 delegates and at least 6,000 are expected in Budapest next year.

He outlined a study conducted in Vienna in 2003 to assess the economic and fiscal effects of large congresses on a city, which revealed, among much more, that almost 90 per cent of all delegates stay in hotels, over half choosing five-star properties. Dismissing the notion sometimes expressed that conferences should not go to exotic destinations, he said, "In places such as Rhodes, where the European Congress on Epileptology will be in 2010, you may see delegates sitting around the pool but even so they are still talking to each other and talking about epilepsy!"

When it comes to choosing a destination, the factors that count most are the local people, the venue and safety. An association looks for interest from members of the local medical society to host its major international conference, whether there is a centre of excellence in the field in the region or, on the other hand, a lack of development which should be addressed. They are also looking for professionalism among local suppliers, people who speak English and support from the city by way of sponsorship of the first meeting of the international organising committee, including travel and accommodation, sponsorship of the opening ceremony and reception, complimentary public transport travel for delegates and passes for attractions such as art galleries and museums.

The destination must be attractive and preferably have a purpose-built convention centre which can give detailed information early in the bidding process, including prices – "Venues can always factor in inflation over the next four or five years," said Holmes. Good access, hotel availability and proximity to the centre and information flow from the convention bureau are also essential.

Thirdly, safety. The actual and perceived safety of the destination are equally important. "Destinations must be aware that 'perception' can have very real effects on delegates' travel choices and the target market in terms of delegates must be considered."

He stressed the importance of investing in a city convention bureau to support international congresses as well as to attract them, and detailed what associations expect from the bureau, the potential venue and hotels during the bid process. "International organisers need to prepare budgets when determining locations and if the centre or hotels are not prepared to give us rates, and the convention bureau cannot help either, then we recommend to our board that the location is removed from the shortlist."

Hard talk, indeed, but valuable information for the political guests to take on board if they are interested in winning more business to their cities.

## **THE ADDED VALUE OF CONFERENCES**

**Martin Sirk, CEO, International Congress & Convention Association (ICCA), Amsterdam,**

Taking up the theme that the direct measurable economic impact of meetings dramatically underestimates the value of the sector, Martin Sirk asked the audience to think not so much about the people attending but to understand the motivation of why these meetings take place. He gave instances of two very large conferences, one on dentistry, one on diabetes, which chose Dubai not only because of the suitability of the convention centre or the allure of the destination but because, in the first case, there is a shortage of trained dentists in the Middle East region and, in the second, it is the fastest growing region for the onset of diabetes. "Extrapolate that idea to all the major clients out there to understand what it is that is driving them and then you will understand the full value of their meetings," he advised.

He noted that the corporate market is also changing. “Over the past five years, we’ve seen an enormous growth in meetings as a key tool in how companies build communities, not only among the people who work in them but among their supply chain and going forward into stakeholders and end companies. These meetings are no longer simply a bit of fun, but the lifeblood of organisations and this again should change your judgement of what they are really all about.”

Among a number of universal values, conferences allow medical and scientific advancement and network creation. “Although there are more sources of training and knowledge through the internet, the truth is that until doctors actually sit down and start discussing some of the issues, or have an accidental meeting with somebody doing research, they don’t find answers. Medics and scientists rely on communication networks that allow them to swap information with a much wider range of personalities and the human interaction they have at congresses makes those connections real, strong and long-term.”

Meetings are not just about communication to a specialist audience but now engage with a wider audience. Sirk said some conferences run entirely parallel events especially for the general public or require speakers to give up time to make a public presentation.

Social awareness and transfer of knowledge and expertise, sometimes to developing countries, are big drivers of meetings. They promote professional development, especially by way of further training and accreditation in certain fields such as medicine and IT. They showcase local business opportunities by making the global investment community aware of local leaders and institutions in need of investment into research programmes.

Conferences can help address social, environmental and economic ills. For instance, there are now many more conferences dealing with aspects of carbon measuring, trading and reduction than there were 10 years ago. “Anything that is in the newspapers as a controversial or complex issue will now have a conference running alongside it,” said Sirk.

He admitted that the meetings industry still has a long way to go before it can properly measure the impact of meetings, but he asked, “Can you ignore the value I’ve described even if we can’t measure it?” He said meetings should be viewed as the highest value tourism market segment, a powerful community building asset, a core element of the local or national economic development strategy and of the PR strategy, how the destination is presented to the rest of the world. “Meetings are a force for good in the world,” he concluded.

## **Part 2**

### **GOVERNMENT INVESTMENT IN THE MEETINGS INDUSTRY – WHAT’S THE PAY-OFF?**

A heartfelt welcome by Ray Bloom, IMEX Chairman and instigator of the Politicians Forum, was followed by an introduction to their organisations by Barbara Maple, President of JMIC, and Olivier Lépine, Vice President of ECM. Both had messages for the politicians. “We should work more closely with you on some of the challenges that face the meetings industry,” said Maple. “We can help you get re-elected,” Lépine promised.

#### **ADELAIDE: SYNERGIES, LEGACIES AND SUSTAINABILITY SELL THE CITY**

**Hon. Jane Lomax-Smith, Minister for Tourism, South Australia Government, Minister for Education & Children’s Services and Minister for the City of Adelaide**

Jane Lomax-Smith began with a quick retort to ICCA’s Martin Sirk’s point about the difficulty of measuring the full impact of meetings: “Most politicians hold the view that if you can’t measure it you can’t manage it!”

Nevertheless, she agreed that events are crucial for a city state such as Adelaide: "They iron out the seasonality which can be a killer for private investment, skills development, workforce development and consistency in any economic sector". But, she insisted, she doesn't want major events, such as the Olympics, which create a boom and bust cycle. "A massive infrastructure for a few weeks which is then going to lie dormant is no good for anybody. We want our hotels full and our investment to have returns throughout the year and meetings and conventions do that."

Research in Adelaide has shown the yield from the meetings segment to be nearly six per cent higher per day than from leisure tourism but delegates tend to stay a much shorter time, with the result that overall they spend only 1.5 per cent more than leisure visitors. "So extending their stay is a big focus for us and we make sure they know about other events coming up which may interest them, such as a film festival or rugby sevens, to make them stay that extra day or two."

Surveys have also revealed that 70 per cent of visitors to Adelaide would not have come but for a convention and 75 per cent of those said they would come back for a holiday. "So the impact of meetings on tourism shouldn't be underestimated," said Lomax.

Another tactic Adelaide employs is to use the city's synergies to invent conventions and events around other activities. "For instance, if we have a cycle race we invent the 'biomechanics of cycling' convention or a conference about cycling tourism. We know that the whole can be more than the parts and people might come for one or the other and stay for both."

The city focuses on bidding for conventions that connect with the city's economic advantages, such as wine production and defence (Adelaide makes air warfare destroyers and has a rocket-launching pad). "It's not a stupid thing to do as then we add authenticity to the bid for the convention. It's dishonest to bid for something if you don't have an indigenous experience of it."

She said Adelaide punches above its weight in wind and solar power generation in Australia; therefore the Third International Solar Congress was held there recently. "This is important as we show ourselves off to the world and, when people such as Al Gore and Robert Kennedy Jr rave about what we've done, they actually help to market our city strategically."

The city will also use a congress to ensure the goodwill of the local community, who may otherwise be aggravated by large numbers of visitors in the city. For instance, during the solar congress a free outdoor convention advised local people on sustainability measures in their homes. And experts coming to Adelaide for congresses are encouraged to leave a legacy by meeting with selected sections of the local community.

Adelaide not only markets itself as sustainable; it markets its conventions as environmentally friendly for potential delegates from overseas worried about their carbon footprints. "The convention centre is run in a sustainable way and you can walk to it from all the hotels, eat food that hasn't travelled more than 50 km and drink wine that's travelled only 10 km, so the longer you stay the smaller your carbon footprint. My view is that sustainability and climate change measures are the best legacy any tourist or convention attendee can ever leave," Lomax-Smith concluded.

## **VICTORIA: REAPING THE REWARDS OF A SUCCESSFUL CONVENTION CENTRE**

### **Mayor Alan Lowe, City of Victoria, British Columbia, Canada**

Mayor Lowe's main thrust was the importance of the convention centre to the city. "The Victoria Conference Center was built in 1989. The most important thing is its downtown location in the inner harbour tourist precinct and in walking distance from the hotels. But the city is losing conferences just now because the centre is too small and an extension will open later this year."

He explained that conventions are often loss leaders but create tourism and bring stability to the city during the shoulder, or off-peak, seasons. According to his figures, delegates' average spend is four times as much as that of leisure tourists.

He advised any city considering building a centre to impress upon government the added benefits delegates bring. Governments are the chief beneficiaries through tax revenues and must be persuaded that a convention centre will put more dollars into their coffers. "But you have to tell government that some of those dollars have to come back into the city for investment."

He also emphasised the importance of creating a whole experience for delegates by developing the tourist areas and encouraging them to visit them.

"You need a global champion and a vision to ensure the city has a successful convention business. If you're going to invest in a centre be prepared to invest in expansion because, before you know it, your centre is too small. The city is the winner here. In Victoria, tourism is our number one industry. Convention centres are a legitimate and worthy public investment and the payback can be huge."

## **THE BENEFITS OF GLOBALLY RECOGNISED SKILLS AND COMPETENCIES**

**Ivor Blumenthal, CEO, Government Services Sector Education & Training Authority (SETA), South Africa**

An ex politician, Blumenthal now represents 37 industries in South Africa, including event management and convention centres, and is involved in ensuring sufficient skills are available to people working in the events industry. Funding comes from industry levies. "What we are trying to do is level the playing field. If you are choosing your next conference destination or venue, don't let competency be an issue."

Blumenthal believes strongly in international standards, qualifications and certification for the meetings sector, both for individuals and facilities. He is working with Canada, Australia and New Zealand in terms of global reciprocity for the recognition of people who work in events management and seeking other reciprocity agreements through a number of different avenues including the European Marketing Federation. "The reality is South African event coordinators and conference convenors are among the best skilled and most competent in the world and now that we have these reciprocity agreements going we can actually prove it."

SETA is also working on the concept of accreditation for facilities which can deal with the disabled, which they are pursuing on a global basis in association with their counterparts in Holland.

Another project involves cooperatives whereby SME suppliers, which were traditionally craft-based and survivalist businesses, become part of the mainstream industry purchasing mechanism in the convention centre and events management sectors. This is supported by various acts of parliament designed to create incentive opportunities for businesses doing business with the new cooperatives and this, said Blumenthal, is working well.

Regarding statistics, he said that in South Africa event management companies are able to ask SETA for the services of interns who stay with them for a year or so to conduct supervised market research. This creates a knowledge database of statistics, trends and patterns upon which they can market internationally. It's been going for two years, he said, and is paying huge dividends.

## **MEETINGS: HELPING TO DELIVER THE GREEN AGENDA**

**John Greenway MP, United Kingdom**

"If you think you are an important visitor destination but have not yet fully exploited the potential of the meetings industry, you could be missing out," John Greenway began. He went on to underline more of the key benefits outside the economic and tax benefits to governments:

- Regeneration – strategic decisions to transform neglected run-down communities or heritage buildings and invest in conference and leisure facilities, hotels and restaurants. This will have strong appeal to general voters so politicians should be interested.

- Improved transport infrastructure – road, rail and airport improvements benefit the wider economy and general population.
- Quality visitors – with the accent on high spend per visitor rather than mass market.
- Repeat business – conferences are often annual events and domestic conferences are likely to use the same venue either every year or follow a cycle of several venues.
- Education and training – the need for a professional workforce leads to long-term career prospects, real and lasting permanent jobs, the development of public and private sector training establishments and opportunities for the re-skilling of redundant workers.
- Convention themes and the impact of potential links with local educational establishments to develop centres of excellence.

He outlined issues currently affecting politicians which can also impact on the meetings industry, such as demographic changes, the move away from heavy industry, the growth of the service sector, integration of a migrant workforce, increased local and regional autonomy, sustainability and the green agenda, international standards, global certification, regulation (within EU countries, society is increasingly governed by directives and harmonisation).

As well as being a member of parliament, Greenway is chairman of the Rules, Immunities and Institutional Reform of the Council of Europe Parliamentary Assembly which includes 47 countries. A recent report addressed concerns about the development and growth of tourism in Europe as the world's most visited region, including the risk of overcrowding and congestion, a strain on natural and cultural resources, stress to local communities beyond acceptable levels and the growth of budget airlines (thought by some to add significantly to long-term problems).

The main challenge that came out of the report was that a congress of local and regional authorities to be established to take up these issues. "But, while environment concerns undoubtedly were a key issue when the report started and not all the concerns are totally dismissed, in general its conclusions are enlightened and progressive," said Greenway. "It says we should recognise that people will travel and address how we manage the travel phenomenon and make public policy gains. Europe can either reap vast benefits from the sustainable development of tourism or face the consequences of unbridled growth."

The report suggests increased emphasis on value rather than volume and cites business tourism as important in supporting wealth creation, entrepreneurship, skills and technology transfer and connections between markets. "The economic agenda and the green agenda are not mutually incompatible but rather the two can go hand in hand. The meetings industry is extremely well placed to secure and deliver gains in both these areas of policy and IMEX itself and the Forum have long championed the opportunities for sustainable travel and events."

Therefore, he was able to add another item to his list of meetings industry benefits to communities: "Helping deliver the green agenda. It really can be a crucial part of the pay-back."

## **INTERACTIVE SESSION**

A general discussion followed with comments and questions from the floor addressed to the afternoon's four speakers. Topics ranged from the need to massage politicians' egos when soliciting their support and the low standing in national government of tourism in general, let alone the conference industry, to training in the meetings industry and selling jobs in hospitality as worthwhile – and more green issues, with specific examples from different countries.

Moderator Michael Hirst summed up the forum as one of the most candid ever, thanks to the input of "four people prepared to tell us what they think it's all about rather than us, the meetings industry, telling them what we think it's all about". He hoped it would be the beginning of an even deeper relationship and partnership in pursuit of all the benefits described.