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**DESTINATION
MANAGEMENT
COMPANIES:
*How THEY WORK***



International Society of
Meeting Planners



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DESTINATION MANAGEMENT COMPANIES
HOW THEY WORK

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DESTINATION MANAGEMENT COMPANIES

HOW THEY WORK

What's In a Name?

When the new teacher asked the little boy his name, he replied "Jule." "Not Jule," the teacher said. "You shouldn't use nicknames; your name is Julius." Turning to the next boy, she asked him his name. A quick learner, he answered, "Billions."

The meeting and tourism industry is dependent upon a number of people to provide various services to ensure a successful event. Many people have difficulty in distinguishing between the professional categories related to meeting planning, for there are an abundance of titles, and many businesses overlap in terms of services provided. Not only are there titles, every title responds to initials. Whether we use the full name or the nickname is a matter of personal preference. The full name is descriptive. The nickname is time-saving.

Let's start with one of the most recent entities, the Destination Management Company, recognizing that by the time this is published, destination managers will have succeeded in changing their title to Destination Executives.

What Is a Destination Management Company?

A Destination Management Company (DMC) is a locally based, for-profit tourism business whose function is to provide groups - and individuals - with services to meet their travel, meeting, and entertainment interests and needs at a specific time and place. It may be a one person home based business or it may be an international company with 500 employees located in key cities.



Have you ever taken a vacation trip with a group to a foreign country? Were you met at the airport by a uniformed person with a sign, who called you by name, retrieved your luggage and steered you to a special bus for transportation to your hotel, saw that you were checked into the hotel properly and quickly, and took you sight-seeing? Chances are you were witnessing a DMC in action. Their services were designed to take the headaches out of your travel and to help you enjoy to the fullest your vacation.

The DMC can offer as little as group transportation - and as much as complete responsibility for all activities of a 100,000 person convention in a specific city.

The San Francisco 1996 Meeting & Event Planner's Guide has a heading "Destination Management Companies." Companies advertising in that publication describe their services:



- y "Thirty years of planning and executing complete destination management services for associations, corporations and incentive programs. Services include customized special events, unique theme parties, local and headline entertainment, custom-tailored tours, dynamic spouse programs and complete transportation services executed by a professional staff."
- y "Planning service for conventions/meetings, trade shows and special events. Services include ground transportation, tours, decor and entertainment."
- y "Complete destination services for associations, corporations and incentive programs by experienced, creative professionals. Services include imaginative parties, special events, production design, customized tours, shuttles and airport transfers."
- y "Detail-oriented assistance in all facets of programs, including air reservations, hotel rooms, shuttles, airport transfers, interactive parties, sporting events, spouse programs and customized tours."
- y "Providing much more than vehicles; signs, maps, schedule brochures and uniformed supervisors. Transportation systems via bus, van and limousine for 10 to 100,000. Expert coordinators cover every aspect, from airport arrivals to final departures. Travel nationally with clients."
- y "Complete corporate and incentive meeting services including customized transportation, tours, off-site events, guides, hospitality and greeter services."
- y "Events beyond expectations! Creative and dependable planning for all conference needs; registration services, transportation, offsite events, entertainment, design and decor, spouse tours and more."
- y "Providing total or partial tour and meeting services, including bulk air, food and beverage programs, pre- and post-programs, and complete ground arrangements."
- y "A personalized, individual-oriented array of services for leisure and business travelers, groups and individuals looking for a unique and unforgettable San Francisco experience."

It is this wide array of services and site specificity that distinguish the Destination Manager from the Travel Agent, the Tour Director, the Meeting Planner and the Convention Services Coordinator.

Every Meeting Planner and Event Planner is not necessarily a Destination Manager nor is every Destination Manager necessarily a Meeting Planner. But they do have much in common and can utilize the skills, resources and knowledge of each other.

The Dictionary of Occupational Titles and the Occupational Outlook Handbook do not list “*Destination Management*” as an occupation. Neither do they list “*Meeting Planner*.” These are relatively new industries, evolving over the years as time, mobility and economic sufficiency increased in the population.



The *Travel Agent* is probably the oldest formal travel designation. That person is responsible for recommending and making airline, bus, train and other modes of transportation, arrangements for an individual or a group. He receives a commission on each ticket he sells.

The *Tour Director* evolved from the Travel Agents’ recognition that more travel could be sold if clients had someone to help them get the most of their trip. The Tour Director generally works for the

Travel Agency and organizes the tour, either for an individual or a group, specializing in transportation. Services are generally limited to getting the client to and from his destination (a city or an event), which may involve ticketing, baggage handling, etc. Tour Operations may be one service focused. One city’s Meeting and Event Planner’s Guide lists eight (!) categories: Tour Guides; Tour Operators - Air; Tour Operators - Group Sight-seeing; Tour Operators - Overnight Packages; Tour Operators - Regularly Scheduled; Tour Operators - Shopping; Tour Operators - Walking; Tour Operators - Wine Country!

The *Meeting Planner* and the *Event Planner*’s names are self-explanatory. He traditionally does just that - plan and execute meetings and events for associations, organizations, businesses, etc. Some Meeting Planners are affiliated with a national or regional association or corporation, working in various geographical areas, depending on where the association’s or corporation’s gathering is to be that year. Other Meeting and Event Planners are independent contractors, living and working primarily in one location. It is important to distinguish between an organization’s volunteer or a corporation’s in-house meeting planner and the professional who delivers meeting services as a livelihood.

Over a period of years, as our society became more time-conscious, service oriented, and affluent, these service functions segued into business operations. As these businesses became more accepted, prolific and specialized, they sought and obtained legitimacy through certification. Licenses are not required as yet.

The Convention Liaison Council presents the title “Certified Meeting Professional” to meeting

planners who qualify by attending certain conferences and workshops and passing a written examination. The International Society of Meeting Planners (ISMP), a professional association of meeting planning experts, offers five categories of membership - *Registered Meeting Planner*, *Certified Event Planner*, *Certified Destination Specialist*, *Incentive Travel Specialist* and *Certified Entertainment Manager*. Registration and certification denote stability and professionalism.

By ISMP's designations, the Registered Meeting Planner (RMP) is actively involved in planning and booking board meetings, sales meetings, trade shows, conventions and conferences. The Certified Event Planner (CEP) plans fairs, festivals, concerts, fund raisers, weddings, parties, picnics and other special events. The Certified Destination Specialist (CDS) is an authority on a specific city or area. He is an expert on tourist attractions, hotels, meeting facilities, and forms of transportation. The Incentive Travel Specialist (ITS) is a meeting planner who plans incentive award programs for their clients. The Certified Entertainment Manager (CEM) designation is designed for the Entertainment Professionals to network together with the Meeting and Event Professionals. A meeting planner may hold one or all of these titles.

This chapter recognizes the variety of titles used in the tourism industry and focuses primarily on their commonalities, interdependence and mutuality, for one can be responsible for all the needed services, and all can work together on one piece of business.

How a DMC Works

A destination management company can be a small, one full-time person operation or it can go to the other extreme and be an international business with offices in several cities throughout the world. The average size is 8-10 full-time staff, with part-time temporary help hired for special projects. An emerging trend is for small local destination management companies to be bought up and made part of a national company. This consolidation effort reflects the importance of destination management companies and their acceptance.



What does the Destination Management Company, the most comprehensive of these terms, do? The Destination Management Company helps an organization with its site selection, convention registration, ground transportation, sight-seeing, convention temporary staff, spouse programs, dining, entertainment and speakers, linens, floral arrangements, photographers, etc. In essence, it will do almost anything and everything.

As a company, it may be divided into two functions: sales and operations. The sales people identify potential business, price programs, secure contracts and orchestrate site inspections. The Operations

staff confirm details, contract with suppliers, do invoicing and accounting, and are responsible for overseeing the program operations and producing special events. Both work in tandem. In smaller operations one person may be responsible for both sales and operations. Both have authority to purchase services. Providers of services such as florists, decorators, tour operators, etc. should research the DMC prior to contacting the company about their products.

Why Use a Destination Management Company?

Familiarity is a strength of Destination Managers. The person responsible for international, national, or regional conferences or meetings is wise to avail himself of such a service.

A Destination Management Company is a Meeting Planner's guardian angel. The DMC is knowledgeable of local customs, businesses, speakers, and resources. He can save a company's Meeting Planner time, money and freedom from headaches.

The Destination Manager should be cognizant of the quality of service providers and contract accordingly. The out-of-town Meeting Planner can only guess and hope for the best.

Because he buys in volume, the DMC can save the organization's Meeting Planner money, for the DMC has already negotiated discount prices.

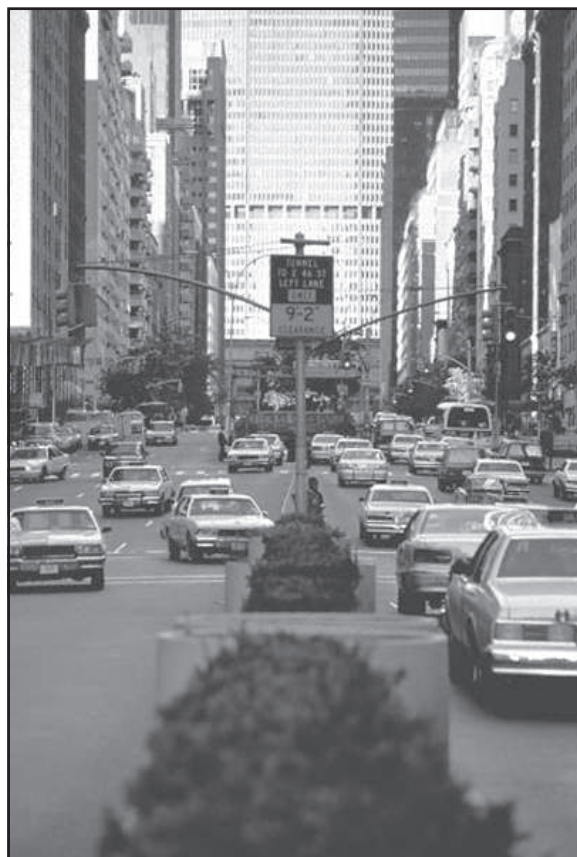
Knowing whom to call upon, what and how to negotiate, the proven quality of services to be provided, and the office, staff and credit resources to conduct business are welcome resources for the out-of-town Meeting Planner and make his tasks easier. Using a DMC avoids duplication or extra work, and enhances and gives support to the program and the Meeting Planner.

The advantages of using a comprehensive, well established DMC include the facts that the staff are often creative people who can offer their clients first hand knowledge of destinations, as well as local buying power.

The Destination Manager is most useful when the event is held in a location with which the hiring organization's Meeting Planner is not familiar. Rather than try to make arrangements long distance with unknown persons and companies, it is prudent to select a reputable Destination Manager in the city of service to handle local logistics.

Some tips on utilizing the services of a DMC

Once a meeting planner is interested in the location and has tentative dates and numbers, the DMC can arrange a site visit, or familiarization tour (also known as a "FAM Trip") so the organizational representative can become familiar with the site. In reviewing the proposed program, he can suggest ways to reduce costs



such as reducing the number of nights in the city or offering optionals at the expense of the participant.

Discuss with the DMC items such as airport transfers, hotel accommodations, meal service, hospitality desks, sight-seeing and tours, theme events, room amenities and gifts. In the absence of a DMC, these should be discussed with the hotel convention coordinator.

A big item is ground transportation. DMCs are experts in this area. The conference attendees who know there is transportation provided to move them between hotels and the convention center, or take them sight-seeing or shopping, etc. are grateful attendees. Ask for airport pickup and delivery for VIPs. A little pampering can go a long way.

What kind of theme parties or special events does the DMC suggest? He knows local customs and resources and perhaps can arrange for after-hours shopping in an exclusive women's store, a special museum tour and dinner, or other goodies not known or easily available to an "outsider."

Will the hotels provide hospitality desks or can the DMC assume this responsibility?



For what special product is the city known, and how can this product be an integral part of your meeting? The DMC may have special connections enabling him to secure that special souvenir which makes your meeting an event to remember.

Whatever you discuss and agree upon, do put it in writing. There should be a contract between the organizational representative, the DMC and the hotel(s) stating specific requirements for deposits, amounts and dates due, and cancellation fees. Expect prompt billing and be ready to pay on time.

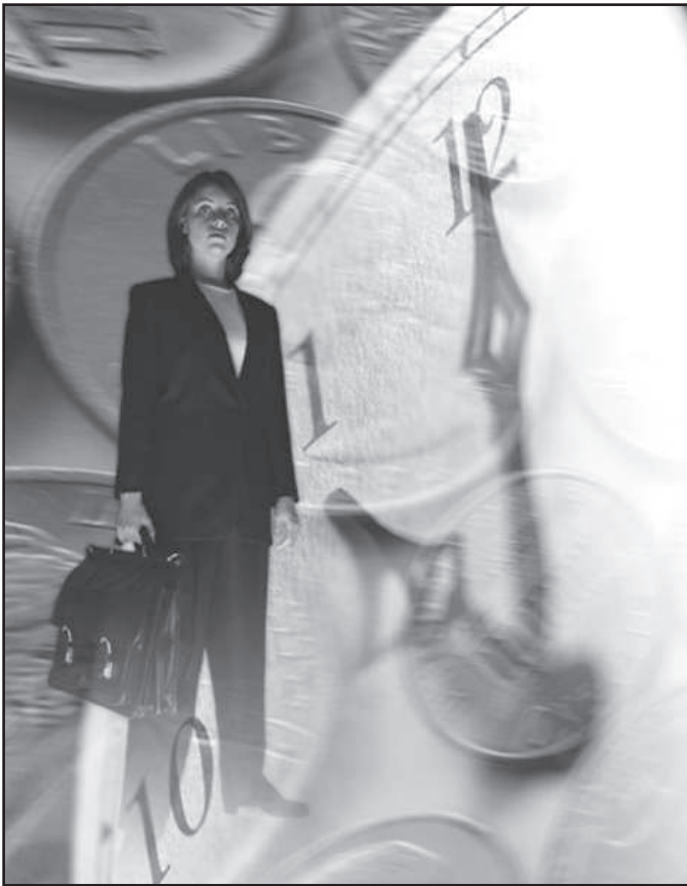
Remember, the Destination Manager is human, too. Treat him accordingly.

When You Want to Share the Wealth

Some organizations may want all the services a Destination Management Company can offer; others may need only one or two. If it's not to provide transportation, the professional known as the Registered Meeting Planner or the Certified Event Planner can do the job.

All of these businesses are willing to negotiate charges. Payment for services rendered is generally based on a per person amount or a percentage of the meeting budget.

It is rare but not unusual for Destination Management companies to provide all services for clients. The DMC contracts out parts of its business as well as works with client staff responsible for the event and location staff. One Certified Meeting Professional who is also a Hotel Convention Services Manager, regards the Meeting Planner as one-third of a pie. The other two-thirds are the supplier of services (the Destination Management Company) and the Hotel Convention Services Manager. The three together



make a whole pie, assuring a satisfactory event.

An organization's Meeting Planner is not limited to contracting with one business or the other. He can use the services of the Destination Management Company, the Registered Meeting Planner, and the Certified Event Planner on the same project.

For instance: The 500 member Association of Anxious Artists wants to have its 5th annual convention in July in a mid-west, not too expensive city. The Association has a member who is a Registered Meeting Planner and hires her to arrange the convention. The AAAs RMP checks out three or four cities, and recommends Peoria, Illinois. Her recommendation is based in part on her discussions with the Convention Bureau and the Hotel Convention Specialist. The AAA Board of Directors accepts the recommendation to meet in Peoria and the RMP develops a convention program. She contacts a Destination Management Company

listed in the Peoria Convention Guide Book. The Peoria based Certified Destination Specialist (she owns the Destination Management Company) reviews the proposed program, offers to provide surface transportation, and suggests a Fairy Tale Picnic at the zoo rather than a Cruise Party, since AAA members intend to bring their families, including children, Peoria is not located near water and the picnic area in the zoo is shaded and fairly cool in the summer.

Since this particular Destination Management Company does not offer special events, the DM/CDS recommends her friend, a Certified Event Planner, to be responsible for planning and executing the theme picnic. Although a separate contract could be signed with the Certified Event Planner, the Destination Management Company includes the cost of the CEP's work in the DMS contract, and one payment takes care of everything. Payment is on a per person basis although the two discussed a percentage of the Association's convention budget as a means of payment. Because transportation and food are involved, both parties agreed a per person payment agreement would better benefit the AAA and the DMC. A contract is signed with the Destination Meeting Company.

The Registered Meeting Planner has booked a convention in a strange city. The Certified Event Planner will execute a special theme party during one night of the convention. The Destination Management Company's Certified Destination Specialist is responsible for surface transportation to and from hotels to the Convention Center for delegates.

The Meeting Planner is relieved for she now has time to concentrate on publicizing the convention to the members, leaving the specific planning details and execution to others. The Meeting Planner even may be able to enjoy the convention herself!

How Does One Find a Reputable DMC, MP or EP?

In this section, the professional meeting planner, the events planner and the destination manager titles are used interchangeably, on the premise they are all providing essentially the same service.

Most destination cities have a Convention and Visitors Bureau. The CVB most likely publishes and distributes to potential visitors an annual Meeting Planning Guide which lists convention facilities and service providers. Established DMCs may be listed in the Meeting Planning Guide. Note that a listing is a business advertisement based on membership and not an automatic endorsement by the CVB. Convention Bureau staff, however, may be willing to share with Meeting Planners the names of DMCs with whose quality of service they are familiar.

The San Francisco Convention and Visitors Bureau has taken an industry lead in bringing together Destination Management Companies and providers of service. It periodically sponsors an educational seminar “Marketing to Meeting Planners” which brings together providers of services and users of service. Its faculty consists of an Association Meeting Planner, a corporation event planner (in this instance called Vice President, Promotions and Communications) a Hotel Convention Services facilitator, a Destination Management staff person and the Convention Bureau’s Membership Services staff. Speaking from their own perspectives, these experts cover subjects such as “Selling Your Products and Services to the Planner of Large Meetings;” “The Corporate Meetings View;” “Working with Destination Management Companies” and “A Convention Services Perspective.” Service providers learn how to contact convention sponsors and conduct business with meeting companies. This Meeting Planners seminar has become a model for convention bureaus in other cities.

As in most things, word of mouth is a good reference. A satisfied customer is the best reference. Asked why she would attend such a Meeting Planners Seminar since she knew all the answers, one Destination Management expert responded: “Networking.” For her, this was an opportunity to promote herself with users - old and potential.

Other sources of information include professional meeting planning associations, colleges, and advertisements in trade journals and newspapers. Some professional associations are the International Society of Meeting Planners (ISMP), the National Coalition of Black Meeting Planners (NCBMP); the Convention Liaison Council, the Society of Government Meeting Planners (SGMP), Meeting Professionals International (MPI), the DMC Network, and the Association of Destination Management Executives (ADDED). Trade journals include: *Meeting News*; *Successful Meetings*; *Black Traveler*; *Travel Agent*; and *Convene*. Check your library for these and others.

Qualifications and Training

An outgoing personality, high energy level, a liking for people, knowledge of one’s city, and computer literacy



are necessary attributes in today's destination manager market. However, they are not enough.

Like many services, the business of meeting and event planning and destination management evolved because of a perceived need. Early entrants into the field brought their own life experiences as their qualifications. One successful destination manager started out working in a bus company as a scheduler. Another worked as a valet car parker. Another, a victim of corporate down-sizing, decided to become her own boss and started her own meeting planning company. Yet another capitalized on her volunteer work as an association's convention planner and took a job with an existing for-profit company. A hotel convention services manager grew into her position as the hotel saw the need for a designated person to work with conventions.

For persons entering the field today, a pleasing personality and a knowledge of the community are not enough. These are important, but educational requirements are superseding residence longevity. One company executive states that although she once considered long-time local residency as a primary qualification, now she does not hire a staff person unless that person has gone to a tour guide school and has taken college courses related to tourism and meeting planning.

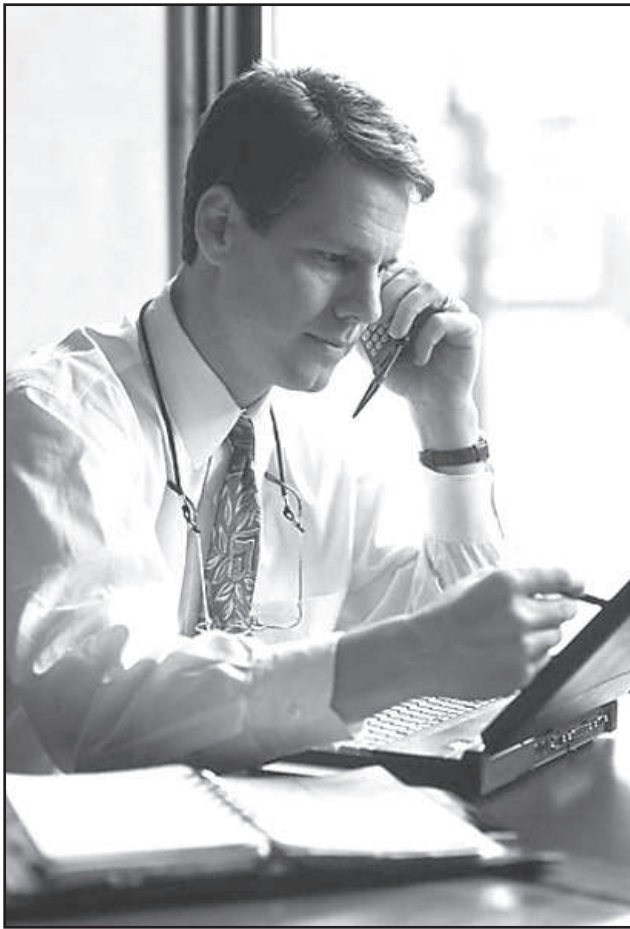
Meeting planning and destination management are now being recognized as legitimate careers and appropriate subject matter is being taught in almost fifty schools in the United States and Canada. Among those are the University of Nevada, Las Vegas, Nevada, Chico State College in Chico, California and Golden Gate University in San Francisco, California.

Viewed as a vital part of the hospitality industry, schools offer courses in "Tour and Convention Management," "Worldwide Tourism" and "Administrative Recreation." A Certificate can be earned for studies in Tourism Management. Golden Gate University in San Francisco offers a Bachelor of Science degree in Hotel, Restaurant and Tourism Management. It's Master of Business Administration Degree, with a concentration in Hospitality Administration, prepares graduates for employment in travel and tourism businesses. The catalog description of one three credit course, "Applied Tourism: Tourism and Development" reads: "...understanding the importance of professional and trade associations, convention centers, convention and tourist bureaus, expositions, meeting planning, corporate planning, trade shows and transportation (airlines, train, bus, cruise ship and tour companies)."



Professional association such as the National Coalition of Black Meeting Planners, Destination Management Companies such as Cappa and Graham (one of the oldest and most prestigious companies in California) and Convention Bureaus offer internships to college students majoring in the hospitality industry

Destination Management Companies offer on-the-job training through company approved attendance at seminars



sponsored by professional associations and convention bureaus.

For further information on college courses, contact the Hospitality Industry department of your local community college and state university.

Salaries begin in the \$24-28,000 range for inexperienced staff and progress to the \$40,000 - \$55,000 range. Business owners can make more.

According to the Entrepreneur Group's Start-up Business Guide Event and Meeting Planning is a well-paying profession. It reports the average profit potential at \$49,000 for someone starting his own business. One can start an event planning service in his home or in an office complex, with as little as \$5,000 - funds for office rent, Fax machine, computer, telephone, insurance, service deposits, etc.

The future of DMCs - what does the future hold?

The advent of computer technology has affected the way we live, work, travel, spend our leisure

time, and think. Anyone operating a successful business these days uses computers. They are invaluable in keeping records, providing information, and enhancing communications. Special software has been written for Meeting Managers. These programs are a boon to the Destination Manager for they enable him to schedule and reroute transportation vehicles swiftly; to bill accurately; organize attendee registration; and to visually demonstrate services from a distance. They make long-distance communication possible at reasonable cost. Anyone going into the Destination Management field needs to be computer literate.

The field is a growing one, with opportunities for women and men. However, while Destination Management and

Convention and Meeting and Event Planning companies are proliferating, travel agencies are being negatively affected. The computer which enables the travel agent to find the best price and airline for a customer, now is available for the customer to make his own travel arrangements and to ticket himself. That, plus efforts by traditional transportation providers to reduce travel agents' commissions to a flat fee rather than a sales percentage, lessens the use of travel agents as well as reduces the profitability of travel agent companies.

The use of, and need for the services provided by meeting planners and destination managers is growing as more conventions move their annual meetings around the United States and abroad. Each year there are over one million corporate meetings and association conventions in the United States. The *1992 Meetings Market Report* issued by Market Probe International, Inc. gives 1991 figures as

806,200 corporate meetings; 10,200 conventions and 215,000 associations meeting in the U. S., with aggregate spending of \$3.5 billion dollars. The African American Travel and Tourism Association estimates that the ethnic group spends \$21 billion annually on meetings and conventions. In 1990, visitors from Spain and Latin America spent \$204 million in Washington, D. C. The Asian market is booming.

We have become a travel oriented population, combining business and association meetings with family vacations. Meeting and Destination specialists no longer focus on business facilities and services only; spouse and family programs and events are becoming integral parts of conventions and conferences.



Destination management and meeting planning are areas in which women are readily accepted. The DMC Network, a relatively new and “exclusive alliance of the leading Destination Management Companies” in the United States and Canada fists three times as many female heads of destination management companies as there are male heads. The absence of minority owned companies presents a challenge to ethnic groups to expand into this area.

Competition for business is high among meeting planners and destination managers. Prices are not uniform and comparison shopping is standard. Often personal relations determine who gets the business, which means that staff must be visible in their communities as well as productive. The influx of foreign visitors, the recognition of the buying power of minority groups and the emergence of minority meeting planning businesses and professional organizations may spur more businesses to aggressively add minority staff in their companies.

A job is a burden unless it is satisfying. For meeting planners and destination managers satisfaction comes in meeting people, seeing your project be a success enjoyed by all, and being paid to help others be happy.



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CDS
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