

Negotiating Meeting Specifications

How to play fair and win **BY DANA BERNSTEIN**

The primary objective of a planner's negotiations with a facility such as a hotel is to provide the best meeting possible, along with a fair profit level for the facility. Negotiating meeting specifications isn't easy, as the planner and the hotel sales staff have their own agendas. But not every item in the contract has to provide a down-and-out battle between the parties. Negotiations are a give-and-take procedure requiring flexibility.

Gathering information and establishing boundaries

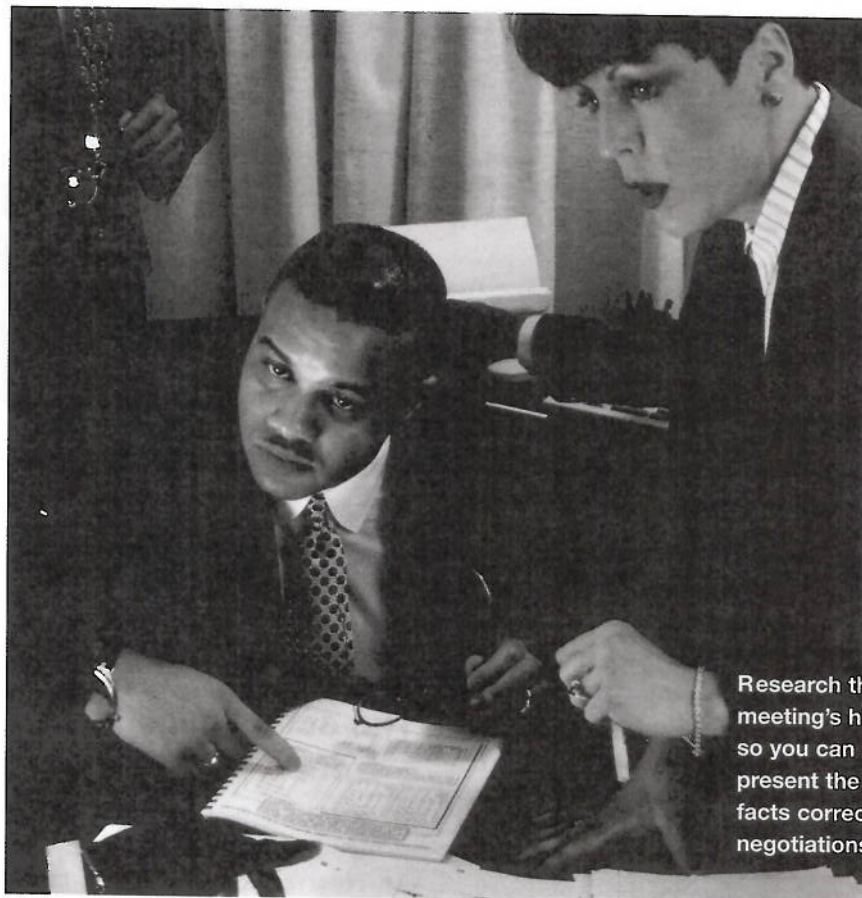
1 Research the meeting's history before negotiations begin so you can present the facts correctly. If, however, this is a first-time meeting, try not to over- or underestimate your attendance expectations.

List your meeting and attendee profile before contacting the property. Your meeting's goals should be in the forefront at all times.

Know the value of your meeting. To develop your group's profile, learn:

- ✓ what the usual sleeping room pick-up is for your meeting attendees.
- ✓ the number of single or double rooms used and/or needed.
- ✓ the meeting space required, versus sleeping rooms.
- ✓ your group's arrival and departure pattern.
- ✓ special requests, e.g., upgrades, bathrobes in each room.
- ✓ whether your attendees eat in the hotel restaurants or go off property if the meals are not catered.
- ✓ your company's payment policy.
- ✓ your group's overall value to the hotel regarding both revenue and repeat business.

The hotel will need this information to assess the entire package—total



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revenue generated versus the cost of generating that income.

Research the hotel's history to learn:

- ✓ what is the high and low season.
- ✓ how does the hotel evaluate business.
- ✓ where is the hotel located—resort versus downtown.
- ✓ how much transient business it does versus group business.
- ✓ what is the hotel's arrival and departure pattern.
- ✓ what are the different sleeping-room rates—rack versus group.
- ✓ what is the ratio of meeting space to sleeping rooms.
- ✓ what are the rates at other comparable hotels for the same space. (You should send an RFP to several hotels for price comparison.)

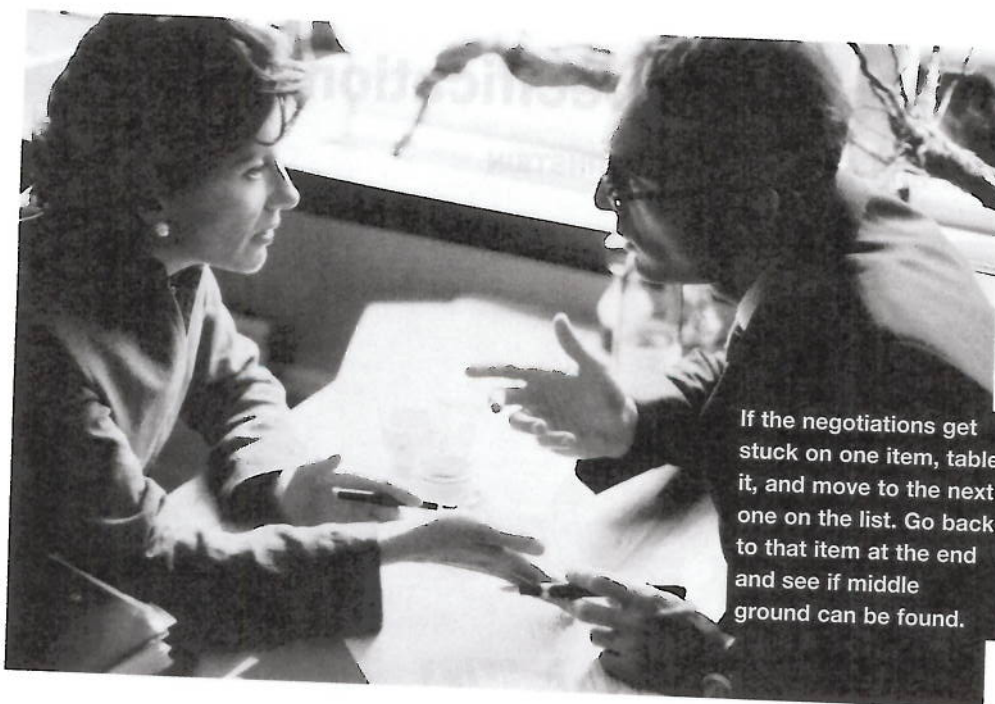
✓ what occupancy holes need to be filled. (For example, airport properties have the highest volume Monday-Friday.)

✓ where does the hotel make the most profit. Usually, there's a 70 percent profit from sleeping-room revenue; 20 to 30 percent from food and beverage functions; 10 percent or less from restaurant functions.

The initial contract/proposal

2 Review the salesperson's written proposal, which outlines the basic meeting space and sleeping- and meeting-room costs. Conduct preliminary negotiations if the costs are more than your budget allows.

Ask the salesperson to send you the preliminary hotel contract. You



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should make sure it fulfills your meeting's needs in terms of service, amenities, costs, and the other hotel-provided items. Even though contracts are standard, you can see where the salesperson is coming from.

- ✓ Create an "additions to the contract" list that covers the needs of your organization. Send it to the salesperson before the site inspection so he or she is prepared for the negotiations.

Pre-planning for the negotiations

- #3 Information is power. Again, make sure you're equipped with as much of it as possible.

- ✓ Negotiate with the authorized person at the property.
- ✓ Create and prioritize a "give-and-take" list of items that need to be negotiated. A good place to start is the hotel's contract.
- ✓ Don't be afraid to ask for anything that pertains to your meeting's needs. The worst answer that the salesperson could give is, "No."
- ✓ Conduct a site inspection at several properties to compare the rates. Decide which space will be the most conducive for your group before the site inspection.

- ✓ View the space that was blocked for your group. Do this before you meet with the salesperson to go over the hotel contract and your additions to it.

The actual negotiations —from A to Z

- #4 Face-to-face negotiating is the best and most effective. You can observe the salesperson's facial expressions and body language.

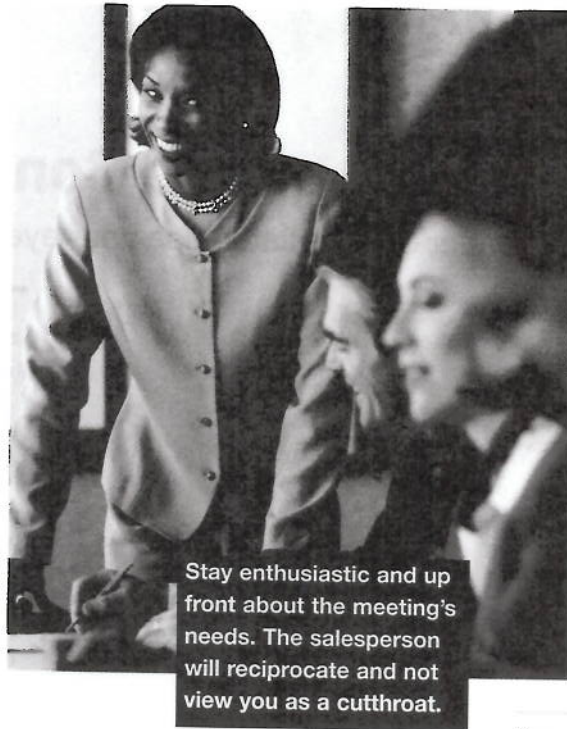
- ✓ Be as prepared as possible before the negotiations begin.
- ✓ Remain calm. There is always an alternative route around a problem. You just need to find the correct path.
- ✓ Listen carefully to what the salesperson has to offer, collect your thoughts, and speak after you have the information coherently ordered in your mind.
- ✓ Don't fidget, bite your nails, kick your foot back and forth, or look around the room when you are speaking or being spoken to. These actions will hurt your credibility.
- ✓ Accept silence. The more the salesperson lets you talk, the more "give" you will have given and the less "take" you will receive.
- ✓ Stay enthusiastic and up front about

the meeting's needs. The salesperson will reciprocate and not view you as a cutthroat. Your positive attitude will play an important role not only during the negotiations but also throughout the meeting.

- ✓ Tell one or two war stories. They're neutral ground and give both parties a few moments of distance from the current negotiations. But don't tell more than two. You don't want to lead the salesperson to believe that all of your meetings were some kind of disaster.
- ✓ Never reveal your deadlines. The negotiating process should not be rushed, and both parties should be comfortable with the outcome. Neither party should look too eager to jump into a decision on the spot.
- ✓ Don't negotiate when you're distracted, e.g., while eating or walking. Devote 100 percent of your attention to the matters that are on the table.
- ✓ You're not on your home turf, which places the hotel staff at an advantage. Distance yourself from the immediate area and concentrate on the issues. If you're really uncomfortable, change the environment. Rather than sit in the salesperson's office, request that the negotiations be conducted in a private meeting room.
- ✓ Keep the footing equal. If you're alone in negotiations with several hotel employees you may feel overwhelmed. Attempt to get the decision-maker alone for the negotiations so he or she will rely less on the "it's the hotel's policy" statement, and there will be no show-off or bully factor.
- ✓ Develop predictability and comfort for the hotel staff. Your credibility will help move the negotiations along.
- ✓ Most decisions are not set in stone even if they are in writing. If there is a change in the program, and you and the salesperson have developed a good working relationship, concessions can sometimes be made.
- ✓ Separate the issues and deal with each one on an individual basis if

the salesperson can't agree to all the terms. If there is a roadblock, find a creative path.

- ✓ If the negotiations get stuck on one item, table it, and move to the next one on the list. Go back to that item at the end and see if middle ground can be found.
- ✓ Don't be the first one to make an offer.
- ✓ Timing is everything, and it frequently works against the person who does not have it.
- ✓ Disarm the other side.
- ✓ When all else fails, try the unconventional.
- ✓ Don't get emotional!
- ✓ Dress for success.
- ✓ Take notes and review them with the sales staff after the item has been negotiated. If you are unclear about the final decision, ask for a review or clarification.



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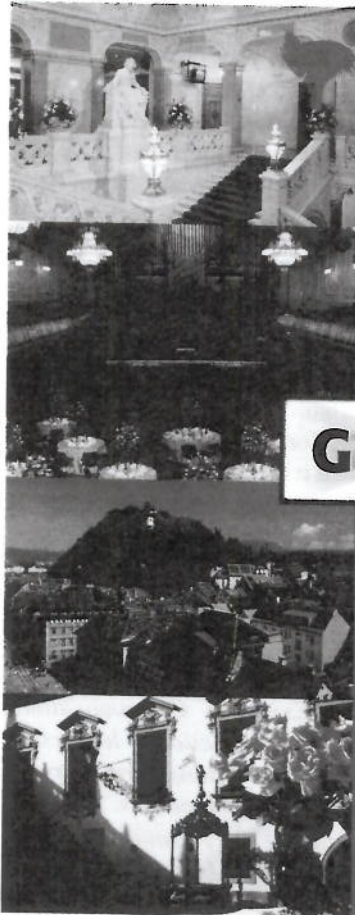
- ✓ Leave something on the table. It may provide an opportunity to come back later and renew the negotiations.
- ✓ Be yourself.

Finalizing the contract

#5 Review the contract in detail with the salesperson. Go over the items that were not agreeable. Put some low-priority items into the negotiating pool; if you need to give them up, it won't affect items that were priorities.

- ✓ Do not sign the contract during the site inspection.
- ✓ Ask for an updated hotel contract, and "additions to the contract" list.
- ✓ Make sure everything is in writing.

Dana Lynn Bernstein, CMP, plans domestic and international meetings and is currently employed at MPE Communications Inc., a medical projects and publishing company in Fair Lawn, New Jersey. To contact her, call (201) 796-6500.



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