

Contract Strategies for the Evolving Marketplace Winning Contract Strategies – Tips for Success!

INNOV8 Meetings + Events is a full-service Strategic Meetings Management organization with a long track record in adding value to the hotel / venue site research, negotiations and custom hotel contracting process. Having a strong contract in place can generally save an organization 12% - 20% annually on their meetings spend.

As the hotel contract process is constantly evolving, we focus on customizing contract language that fits the specific needs of your organization. Our customized contracts are guaranteed to add value to your program as well as provide reduced risk to your organization.

Winning Contract Strategies:

1. **Hotel Fees & Surcharges:** Address all hotel fees & surcharges with the hotel prior to signing your contract. Some fees and surcharges to be aware of include: Gratuities, Portage, Destination Fees, Special Meeting Room Set-ups, Electricity in Meeting Space, etc.
2. **Rate Integrity** – Hotel may not publish or promote a lower rate even after the contract has been signed. All rooms, including pre and post, will be credited towards room pickup (including those booked around the block).
3. **Function Space** – Hotel may not move or change your space without prior written approval. Confirm start and end times and specific meeting room names (include your set-up times to the agenda).
4. **Food & Beverage** – Hotel to set 5% over your guarantee at no charge. Determine whether F&B gratuity will be based on Retail Value or Concessions Value.
5. **Hotel Audit** – Hotel to conduct any number of audits (pre and post meeting) at no charge to capture any rooms around the block and verify hotel occupancy over your meeting dates.
6. **Lost Profit vs. Revenue** – Base your contract calculations for sleeping rooms and group food and beverage on lost profit vs. lost revenue (i.e., 75% profit margin on sleeping rooms x \$200 room rate = \$150.00. 35% profit margin on F&B x \$20,000 F&B minimum = \$7,000).
7. **Attrition**–The hotel will allow up to 80% in allowable Attrition. 500 contracted rooms X 80% = 400 room guarantee
8. **Cancellation**– Sliding scale damages specify dates and include all calculations and specific numbers! Always have a mutual cancellation to verify what happens if the hotel were to cancel on your group.
9. **Breach by Hotel** – Should the hotel fail to provide the sleeping rooms, meeting space, etc. as outlined in the contract, they would be liable for all expenses, direct and indirect damages, attorney's fees, etc.
10. **Relocation** – Should the hotel be oversold and your attendee must be relocated, the Hotel shall provide accommodations at a comparable hotel (and cover the cost to do so). Hotel to notify Meeting Planner prior to any relocations.



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The best way to reduce your organizations risk is to create a custom hotel contract ready for signature. This creates consistency in the contracting process and ensures all of your organization's legal liability language is thoroughly addressed, including: negotiated hotel fees and surcharges, concessions, damages based on profit vs. revenue for both Attrition and Cancellation, etc.

For Additional Information, Contact:

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