



Insourcing or Outsourcing Conference Management

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MEETING
QUALITY



Perception of the PCO - Associations

“It is difficult to convince an association board that it is valuable to outsource some or all aspects of Conference Management.”

*Luc Maene, President, ESAE, Director General, Inter.
Fertiliser Assoc., Belgium*

Challenges

PCO's and associations have the same challenges in staffing and business operations:

- The right staff with skills and abilities matched to the needs of the event
- A Board of Directors/management team with sound business acumen

The reality of insourcing

- Conference grows, outsourcing starts
- Is the in-house manager now an unnecessary layer of management?
- Board perceives conference management to be a 'piece of cake'
- Undervalued and misunderstood
- In-house organisers over extended and lacking skill sets
- Board sees conference as a cash cow

The reality of insourcing

Why doesn't it always work?

- Conference Management is a complex science of different skills woven together. These skills are:
 - Recruitment
 - Financial management – budget understanding
 - Negotiation skills (supplier/services management)
 - Operational practices from conference banking to tax, insurance and compliance
 - Marketing
 - Sponsorship management
 - Implementing corporate social responsibility (CSR)

The reality of insourcing

Why doesn't it always work?

- The challenge lies in management versus doing 'tasks'
- Different skill sets required to manage different scale of conferences.
- A small scale conference does not require the skills and expertise of a large conference

The Association Board

Does it have the skills?

- Associations by nature appoint persons with industry specific experience, understanding and networks
- This does not mean they have the business acumen to run an association or their conference
- Board members are often compliant rather than directive
- Managers are more often 'politicians' answering to their members and lobbying on behalf of their members
- Hiring mistakes and ordinary outcomes are dismissed or accepted

Outsourcing to a PCO

- Association/Board or LOC are more critical, less sympathetic and more demanding
- PCOs are viewed as a service for payment and treated as such
- End result is that a PCO is required to:
 - Provide a more cost effective outcome to the board
 - Perform above expectations and targets of the board
 - Constantly review their service delivery models
 - Constantly update and improve technology and electronic communication

Outsourcing to a PCO

- The PCO market is competitive and costs need to be kept to a minimum
- PCO is judged on performance and the business grows or diminishes based on outcomes produced
- PCO is not subsidised or protected by the association if outcomes are not achieved
- A PCO is rewarded with future business if they perform well

The double edged sword

- Perceived that management in house creates a better rapport with members
- **BUT** it is a double edged sword
- PCO's are detached and better enabled to negotiate on a business to business level to provide a balanced outcome when working with sponsors and exhibitors
- PCOs will deliver a better profit for association and better outcomes for sponsors and exhibitors. How?
 - PCO's are not biased
 - Business like in negotiations
 - Trained to not 'giveaway' entitlements
 - Trained to deliver satisfaction

The best solution

The reality is that a partnership harnessing the combined skills of the Association and the PCO is the recipe for success

The reality of using a PCO

Is it more expensive?

- How many associations have completed a true and accurate analysis of the costs of managing conferences in house?
- How does that analysis compare to using a PCO?
- What is the percentage of overheads spent on insourcing conference management?
- Accepted maximum fee for PCO is 15% but is often less. How do the two compare?
- The answers is - we do not know!

The future

- The future is that PCOs are needed to cost effectively provide the expertise to ensure combat the up and coming competition that could overtake conferences
- This is a time when we need to unite to build a strong and dynamic force not a time when we should divide and weaken the opportunities for the future of conferences.

IAPCO

An IAPCO PCO is a Professional Congress Organiser or Meeting Planner who:

- administers and brings to fruition the organisation of a Congress in a professional manner
- professional manner includes timeliness, efficiency, financial responsibility and good management