



Building a Business Case for Strategic Meetings Management

Presented by Debi Scholar

Session 1: January 21, 2010

- Strategic Meetings Management Program ("SMMP") Definition
- maturity model
- 101 questions to build a business case
- path to develop a SMMP strategy

Session 2: March 18, 2010

- cost benefit analysis
- gaining the CFO's ear
- resources to find more help

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Debi Scholar is a consultant on Travel and Entertainment Expenses (T&E) strategic management and cost reduction. Debi consults with Fortune 1000 companies on expense management categories such as airlines, hotels, meetings, ground transportation, corporate card programs, travel management companies, and entertainment assets such as country club memberships, venue suites, boxes and tickets. Debi has led numerous projects for global organizations, entertainment venues, and government agencies. Debi has a unique advantage as a consultant because she started as a practitioner by leading PricewaterhouseCoopers' internal group travel and meetings. She is acknowledged nationally for groundbreaking efforts in shaping the Strategic Meetings and Events industry and linking Travel and Meetings teams. Her PwC meetings team collaborated with a major financial services firm to create the industry's first "meeting card" and with a major global meetings technology organization to develop the meetings management registration process numerous years ago.

Debi is a pioneer in the a) travel and meeting industry, b) virtual meeting and c) training industry using virtual technologies beginning in 1998 to connect distant participants. She was the first Meeting Director to have included Virtual Meetings under her direction back in 2002 and since, has become a leading expert in how to effectively drive virtual meeting adoption to a) reduce travel costs and b) complement or reduce face-to-face meetings.

Debi participates on the National Business Travel Association (NBTA) Foundation Board of Trustees and was the co-chair of the NBTA Groups & Meetings Committee for four years. Debi was selected as the one of the top 20 Change makers in the Industry, one of the meetings industry's "Movers and Shakers," and one of the Business Travel News Practitioners of the Year. Debi currently sits on the Editorial Advisory Board for MeetingNews, has been featured in numerous industry articles and was the highest rated speaker for two years in a row at the Strategic Meetings Management Forum.

Debi's designations include:

- Wharton Aresty Executive Education/National Business Travel Association (NBTA) Global Leadership Professional (GLP)
- Meeting Professionals International Certificate in Meetings Management (CMM)
- Convention Industry Council Certified Meeting Professional (CMP)
- NBTA Corporate Travel Expert (CTE)
- PwC Six Sigma Green Belt
- Chauncey Certified Technical Trainer (CTT)

Strategic Meetings Management is Poetry to Our Ears

Meeting and event spend left unseen
Without travel, procurement or finance teams,
May increase your risks and costs
And will affect your profit and loss.

Policies, process and operations in place
Compliance and controls that employees embrace,
Meeting and event spend strategically aligned
Strategic meetings management is defined.

Big and small meetings, low and high charges
Without proper oversight, your total spend enlarges.
Register, source, procure and contract
Using skilled resources, or you'll pay rack.

Cancellation, attrition and other such fees
Are all negotiable to some degree.
Meeting cards and reconciliation do the trick
To reduce fraud and costs, and make metrics slick.

How much meeting spend do you do?
One way to calculate is 1-3% of revenue.
Another such method involves expense,
25-35% of T&E makes good sense

The meeting process from A to Z
Automated through technology is the key.
A self-built solution is rarely wise
Databases and Excel will lead to demise.

Insourcing, outsourcing, or a mix of the two
Using skilled resources is what you should do.
A MMC or DMC with a CMP ensures
The less likely opportunity of a meeting failure.

Carbon emissions calculated; green meetings are "in"
Shall we go virtual? Or, no more water bottles again?
And speaking of virtual, to replace or complement,
They're here to stay, so increase your involvement.

Please take the initiative to reduce maverick spend!
Embrace your procurement and finance friends.
Begin strategic meetings management in your firm
Contact me for more help if you want to learn.

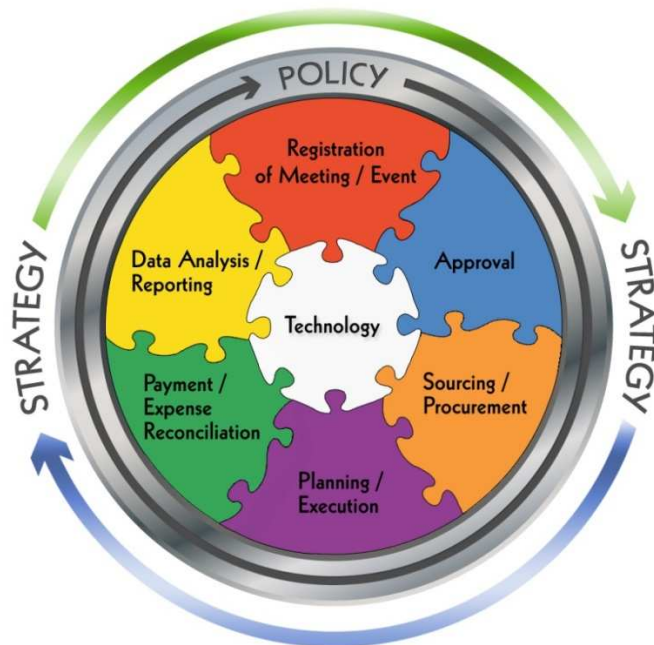
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Strategic Meetings Management (SMM) is a disciplined approach to managing enterprise-wide meeting and event activities, processes, suppliers and data in order to achieve measurable business objectives aligned with the organizations' strategic goals and vision, and deliver value in the form of quantitative savings, risk mitigation and service quality. It is a multi-year strategy customized to the corporate culture that is often led by a meeting, travel or procurement leader, or a meetings council made up of the key stakeholders.

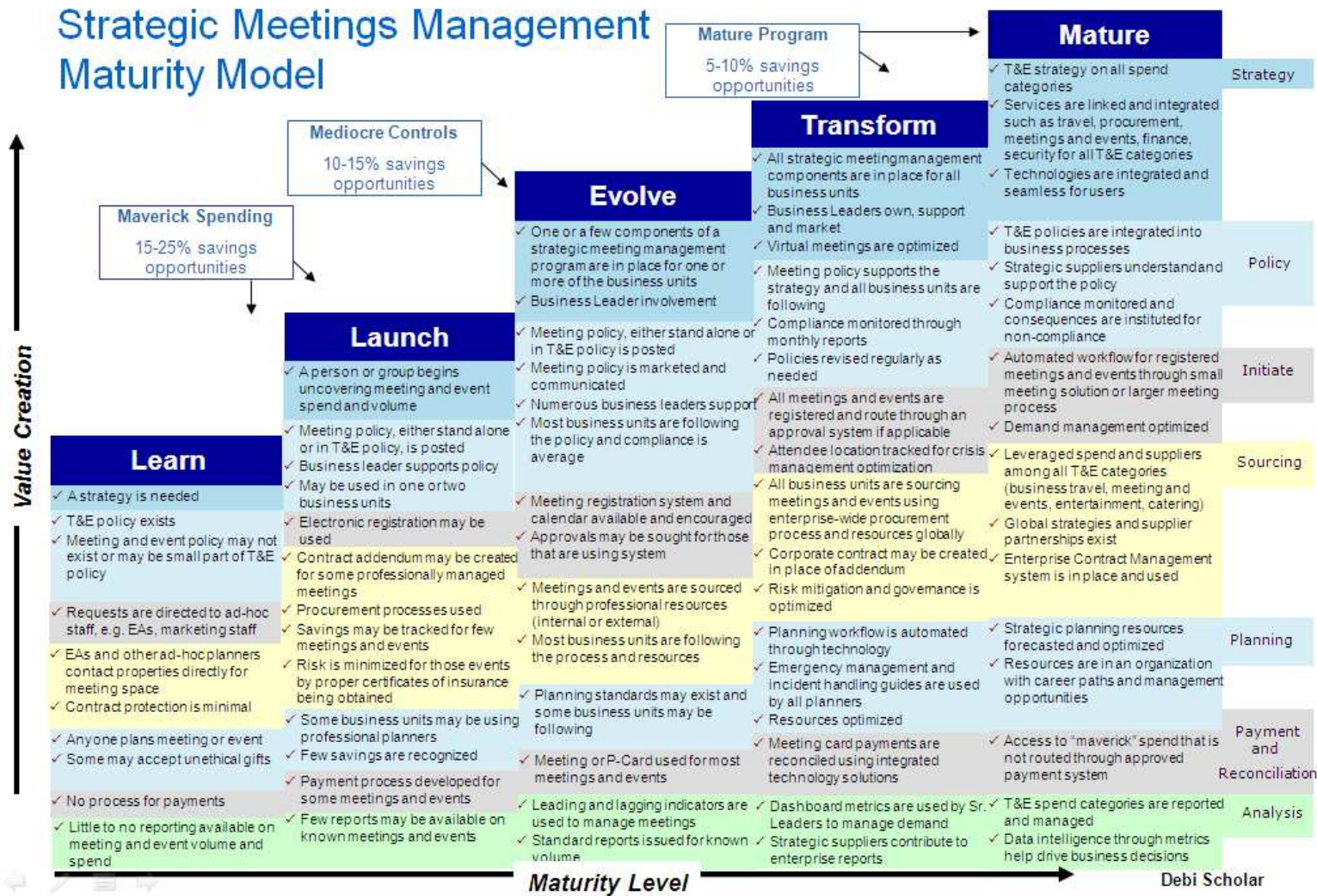
Strategic Meeting Planning Delivery (SMPD) is an approach for one or more meeting planners to manage and implement their meetings using a service delivery model that best aligns with their meeting sponsors' requirements.

The first SMMP Whitepaper was written by the National Business Travel Association in March 2004.

Components of a Best in Class
Strategic Meetings Management Program (SMMP)



Strategic Meetings Management Maturity Model



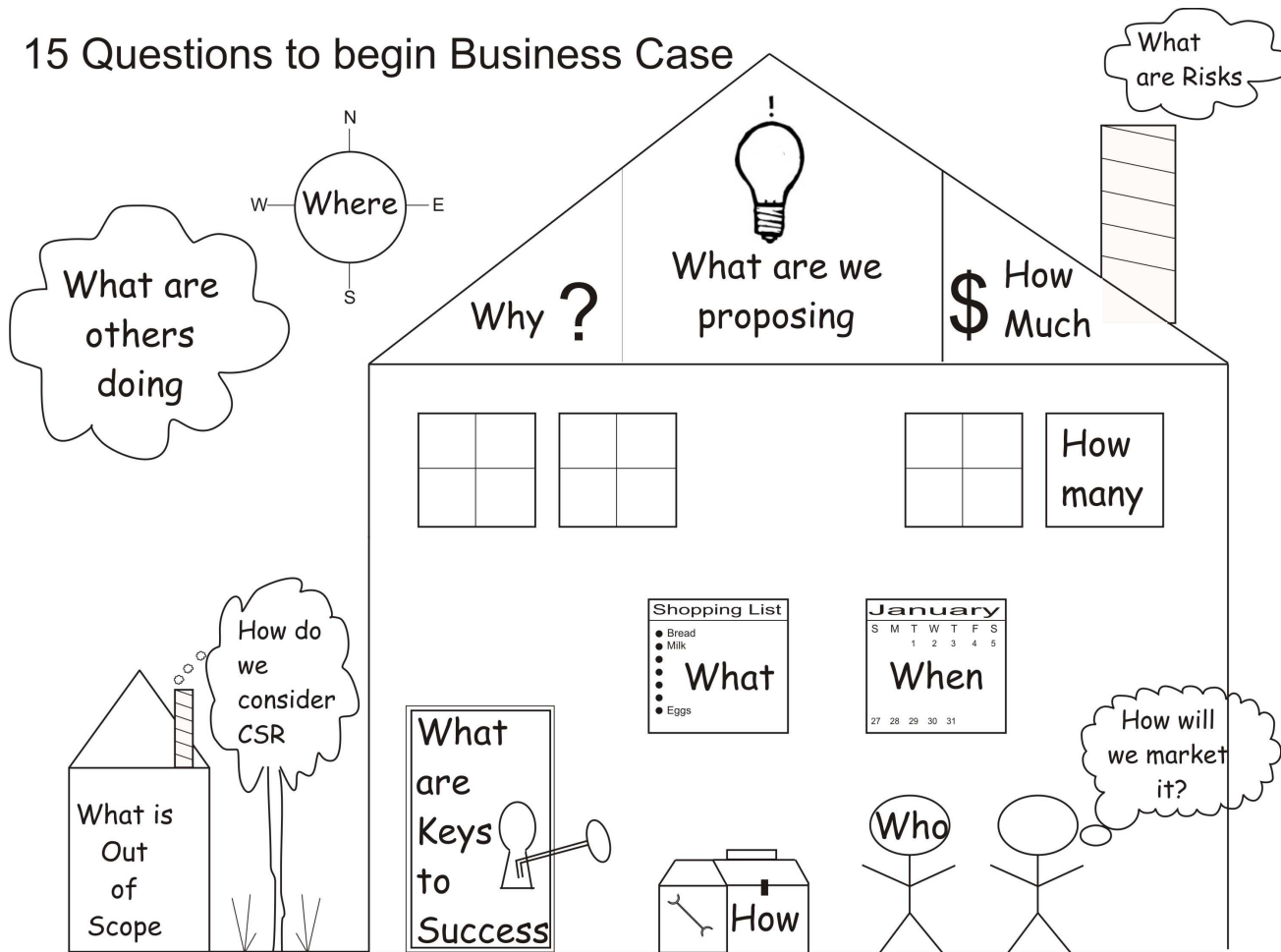
If you fail to plan, you plan to fail.



Business Case versus Business Plan

	Business Case	Business Plan
Use when: Many of the same headings are used for both the business case and business plan but the scope is different.	A strategic single action or decision is required	A strategy for the whole organization is affected yet may cover a single business unit or single product line. This may or may not be used for a decision. If funding is not required by a financial institution, it may be the roadmap used by the business leaders.
Measures:	The cost benefit analysis, the return on investment, the total cost of ownership and payback period. May also provide non-financial measurements such as services, risk mitigation, etc.	Will also include the financial measurements from the business case but there is often more weight on the "whole" offering such as the services provided, forecasted profits, the qualifications of the business leaders and the marketing plan.

15 Questions to begin Business Case



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Business Case

Cost/benefit study of strategically managing meetings and events Projection for 2011 - 2014



[submitted by: **name**]
[**date**]
[**email**]
[\[**website**\]](#)
[**address**]
[**phone**]

[INSERT your logo here]

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IMPORTANT -- All business cases are different. Headings, placement, length, etc. will differ based on your environment. Do your homework and determine what best meets the goals of your organization.

Executive Summary

ANSWERS THE QUESTIONS:

What business problem will this solve?
Is this important or fit with our strategic initiatives and objectives?
What are the important business objectives for our organization?
What is the value this will bring?
What is the cost/benefit?
What are the risks associated with this solution?

WHO is your executive sponsor?

YOUR challenge:

- generate enough interest so that the document and idea will survive the initial screening process and
- convince people to accept and move forward on the actions requested

The BEST Executive Summaries contain the whole case in miniature. Many readers ONLY read the Executive Summary and the Financial Analysis. The Executive Summary data, as well as the rest of the plan, must match your environment and benefit business objectives. If less detail is required, then of course, customize it for your requirements. Typically, the Executive Summary is 1/2 to 1 full page of data.

The data should be a concise collection of the rest of the paper.

- History and information about company, organization, department
- Synopsis of request, reasons for the plan, goals and objectives, risks, costs
- Describe who you are and why you are writing this plan
- **NOTES:**
 - The purpose of this business case is finding, measuring and valuating the business impacts of not having a SMMP.
 - Write the Executive Summary last. Or, draft it at the beginning but finalize it at the end after everything else is finished.
 - A person should be able to read the Executive Summary and the Financial section and make a decision.
 - There are sentences and maybe paragraphs that could be placed in multiple sections of the business case. Try to determine the 'best' fit and if required, refer to the content as necessary.
 - Every business case will be different – no two organizations are alike. No two SMMPs are alike. Headings and content placement may differ.
 - If your environment is casual, some of the headings and sections may not be required.

[This business case will address a strategic direction for ...]

Current Situation

ANSWERS THE QUESTIONS:

- What is the current situation for these services, how is it managed today?
- What are issues in the current situation? Why can't it continue as is?
- What is the gap in the current environment? (risk, spend, savings, service, consistency, processes, resources, etc).
- What do the business leaders think about the current situation?
- What do other stakeholders think about the current situation?
- What do the customers think about the current situation?
- What do the suppliers think about the current situation?
- What is the scope of your analysis and initiative? Is it global? U.S.? enterprise-wide? Other?
- Are meetings/events captured in a centralized system today?
- Are approvals in place to ensure that meetings/events meet strategic objectives and approved budgets?
- Is strategic sourcing and contract management considered?
- Are contracts signed by authorized signers and therefore, legitimate?
- Do the planners have the right skillset to ensure quality and consistency?
- Are we using multiple planning companies?
- Are payments made to suppliers using a centralized system in order to capture all meeting-related spend?
- Are all legal/regulatory risks mitigated?
- Do we have visibility into all meeting and event spend?
- How do we capture the data in the current environment?
- What organization structure is in place now? Does the current reporting structure make sense?
- Who were the stakeholders that were contacted? And contributed?
- What are the obstacles we face?

[The current state...]

Strengths, Weaknesses, Opportunities, Threats analysis

Positive		Negative	
<ul style="list-style-type: none"> • Buy-in from numerous stakeholders and multiple business units to uncover meeting spend and improve processes 	STRENGTHS	<ul style="list-style-type: none"> • Tracking spend is near impossible with no standard charge codes or payment methods. • Most meeting/event expenses are hidden within non-travel related budgets (e.g., sales, marketing) • Etc. 	WEAKNESSES
<ul style="list-style-type: none"> • Using strategic sourcing and demand management, the organization could recognize between 15-25% in savings/cost avoidance. • Etc. 	OPPORTUNITIES	<ul style="list-style-type: none"> • Organization may not be following regulations for our industry [or] Organization may not have all the necessary controls in place for spend on meetings/events. • Contracts may not be signed by authorized signers or contain proper language to protect organization. • Etc. 	THREATS

(See Appendix A - Risk Impact Graph)

[External] Environment

ANSWERS THE QUESTIONS:

How do our competitors manage this spend?
 What are the options for service? If our customers do not buy it from us, where do they buy it? (internal Executive Assistants? External meeting planning companies?)
 How are our competitors structured?
 Why do they buy it from our competitors?
 Where do our competitors excel?
 Where are our competitors weak?
 What are our competitor's pricing and discounting policies?
 What are the demographics of customers who will use this service?
 What environmental factors are affecting the organization for consideration?
 Should we do a PEST Analysis?
 - Political/Legal – regulatory, taxation policies, foreign trade regulations, globalization, localization, employment laws
 - Economical – state of national economy, state of industry sector, business cycles, interest rates, inflation, unemployment, disposable income, cost reduction
 - Sociocultural – population demographics, income distribution, health, education, attitude, lifestyle choices
 - Technological – Emerging technologies, rates of obsolescence, government spend on research (Groopie, hotel group booking sites, etc.)

[According to the February, 2008 Aberdeen Group study on "Strategic Meetings Management of MICE (Meetings Incentives, Conferences and Exhibitions) and Spend, the best in class have leveraged key technologies and processes to achieve 89% compliance to corporate policies for meetings and events, are recognizing an average 11.4% annual cost savings and place 41% of their meetings and events through formal sourcing processes.]

[To further substantiate the volume, Meeting Professional International's Future Watch 2007 reports that meetings were expected to increase by 7% in the corporate environment.]

Service Provider	Unique Selling Points (USPs)	Strengths	Weaknesses	Pricing Strategy	Pricing Strategy comparison
Internal Meeting Sourcing and Planning Team					
Independent Meeting Planning Consultants					
Meeting Management Company					
Rogue spenders including Executive Assistants	-Front line to the meeting requestor or may be the budget holder -They may know the meeting objectives best and have the closest contact with the leader requesting the meeting.	-Ability to begin planning immediately once they have the requirements -Often have a local relationship with property or venue.	-Risks often incurred due to unauthorized contracts and verbiage -Non-professional planners may not understand how to ensure service excellence. -Proper systems are not used to track meetings or attendance thus, during crisis, organization may not be able to track whereabouts.	No charge except cost of employment.	-May appear "inexpensive" compared to using professional planners. Yet, penalties incurred may quickly turn to costly endeavors. -If a high-priced billing rate is connected with the rogue spender, then the organization may be losing revenue.
Destination Management Companies	-Open door to the city or venue of choosing. When used with a professional meeting planner, results often provide exceptional quality.	-May unlock entry into some venues that are off-limits to individual requestors.	-When used without a professional meeting planner, the results are less than optimal and similar to the Rogue Spender weaknesses above.	-Varied – maybe a "Packaged" price – direct costs plus a gross profit percentage factored into a "per person price." -Also may be a "Cost Plus" showing actual costs for services plus a mutually agreed upon service fee.	If the spend is not negotiated by a professional meeting planner, the costs may be higher than reasonable.

Service Provider	Unique Selling Points (USPs)	Strengths	Weaknesses	Pricing Strategy	Pricing Strategy comparison
				-It may be Menu-based depending on the options selected. -Or, it could be a fee-based to manage an entire meeting or program often based on hours.	
Hotel websites, aggregate space websites (Groopie, etc.)	Simplicity and available to anyone with the click of a mouse.	Simple and quick. Especially appealing to those familiar with booking travel and buying everything via the Internet.	-Risks are high as none of the contracts or agreements are reviewed by the organization. -Quality may be compromised. -Crisis management and security are non-existent as the organization does not have access to these records.	Often commission-based and paid for by hoteliers.	Price may be less than above but the risks outweigh the pricing from a organization perspective.

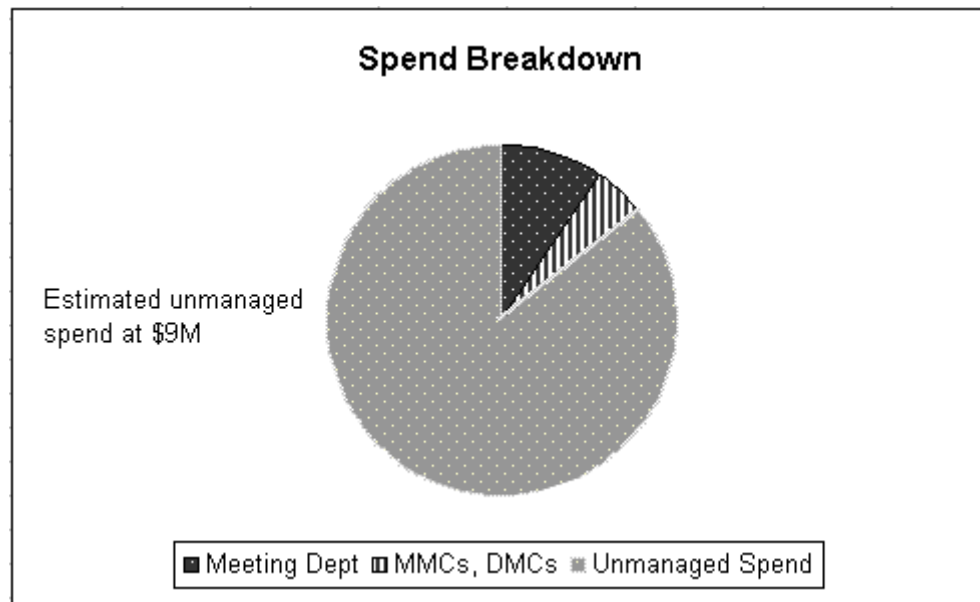
Opportunity

ANSWERS THE QUESTIONS:

Do we have consensus throughout the enterprise to manage meeting spend?
How much money can be saved?
How much risk can be mitigated?
How can resources be utilized to reduce duplication of effort, increase productivity?
How can we improve quality and consistency?
How can unnecessary meetings be eliminated?
How can meetings be approved by leaders before being planned?
How can we capture who is attending meetings for crisis management?
How can we capture where meetings are being held for crisis management?
How do we capitalize on penalties incurred?
How do we leverage our transient and meeting spend throughout the enterprise?
How do we ensure that documents are retained in the proper location for the correct length of time?
How do we streamline our processes?
How do we know if we have the right number of preferred suppliers?
How do we direct our spend to those preferred suppliers?
How will we overcome the obstacles that exist?

- NOTE: Benefits only come from meeting business objectives.

Consider adding an estimated managed spend pie chart to emphasize the uncontrolled environment.



[In order to meet ABC's business objectives of, the opportunity to]

Strategy and Recommendations

ANSWERS THE QUESTIONS:

- What are the objective(s)?
- What is the strategy?
- What do we recommend?
- What business problem will this solve?
- From the Financial Analysis, will this be profitable for us?
- What are the critical success factors?
- What are the services we're proposing with this business case?
- Is this important and will the services fit within our strategic initiatives and objectives?
- What is the value this will bring to the business? What are the rewards?
- Why will customers buy it?
- How will they value our service?
- What will influence their decision making?
- SWOT - What are the strengths, weaknesses, opportunities and threats with this solution?
- What is the reporting structure and organization structure?
- Why is that structure the best? What are the alternatives?
- What are the priorities that must be implemented first? And last?

[The proposed strategy is toand it is recommended ...]

[The recommended approach is to as it will strengthen ABC's position in]

There are multiple types of strategy. For example, a market penetration strategy may include moving strategic meeting management into business units that are not currently saturated with your service. A service development strategy may include introducing new services, e.g. virtual meetings or incentive events. Determine your strategic focus by speaking with stakeholders and understanding the problems/risks in your enterprise.

While this may oversimplify the marketing strategy concept, below are some ideas as you plan your marketing efforts.

Marketing Strategies

Market Integration Strategy	<ul style="list-style-type: none"> • Backward - Take ownership of suppliers • Horizontal - Take ownership of competitors • Forward - Take ownership of channels to market
Market Intensive Strategy	<ul style="list-style-type: none"> • Market Penetration - Increase your share of existing markets • Market Development - Move into new markets • Product Development - Improve existing products or introduce new products
Market Diversification Strategy	<ul style="list-style-type: none"> • Concentric - Introduce new, related products • Horizontal - Introduce new, unrelated products for existing customers • Conglomerate - Introduce new, unrelated products
Market Defensive Strategy	<ul style="list-style-type: none"> • Joint Ventures and Mergers - Join forces with another company • Retrench - Sell assets and cut costs • Divest - Sell a whole business unit.

Using two Marketing Strategies

Market Penetration <ul style="list-style-type: none"> • Existing markets are not saturated with your product/service • You could sell more to existing users • Markets are growing and/or competitors market shares are declining • Increased volumes would return economies of scale 	Capture unmanaged spend in an organization
Product/Service Development <ul style="list-style-type: none"> • You can build on existing brand/image • Your market is growing • Some unique opportunity exists • Core competencies would make product competitive 	Offer additional services such as virtual meetings to complement face-to-face meetings

Financial Analysis and Support Requirements

ANSWERS THE QUESTIONS

How much will this cost? (insourced staff, outsourcing meeting management company fees, technology, operating costs, change management and training, etc.)

What methods will be used to obtain the data?

Will the returns justify the investment?

How will the return be calculated?

Are the costs resource-based or activity-based?

What will this do for our business performance?

What can we do to maximize the results?

Which financial criteria are important to decision makers?

Who assumes the costs?

What receives the benefits?

How much will we save? (hard dollars, soft dollars, productivity)

What risk will be mitigated that could be translated into savings?

What resources are required?

What technology is required?

How will it be used and integrated?

What other value does it bring?

What metrics are leader's seeking? How often?

IMPORTANT:

Make sure you prepare a PROPOSED environment, a CURRENT environment and then create an INCREMENTAL CASH FLOW difference. Cost savings are apparent only when two scenarios are compared in the cost analysis.

NOTES:

- Make sure you include an analysis in addition to the numbers. Never just include numbers without commentary.
- You should spend the majority of time on the financial analysis, statistics state that it could be 80% of your time creating this section.
- Typically, "hard \$ savings" are what people think of when they hear the word "cost savings."
- If an action contributes to an important business objective, it belongs in the business case. Try to assign financial value to all such benefits. If cycle time is reduced, there is a cost savings opportunity in addition to another benefit such as improved service...which may increase compliance or usage of services. Then, ask these questions:
 - What is it worth to reduce cycle time?
 - What if we don't do it?
 - What is the impact?

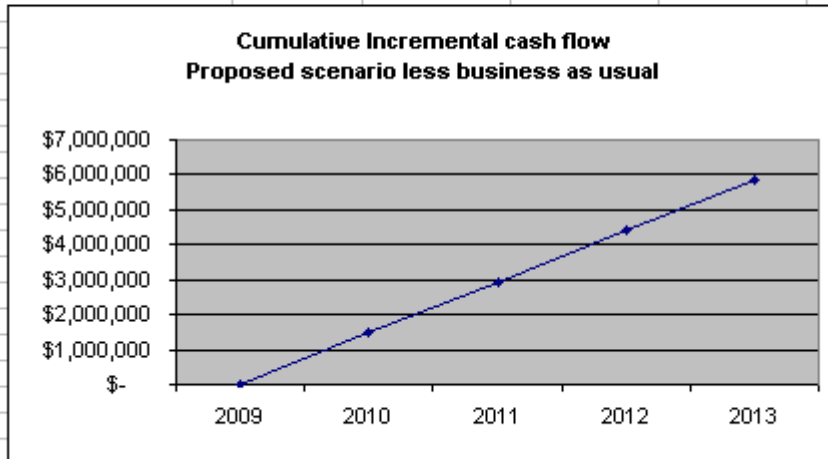
SHOW some data such as the typical time it takes for professionals to plan a meeting vs. an ad-hoc planner just as an idea.

[ABC Company has an opportunity to save \$.... and recognize ...%.ROI over the next five years]

Add one or two charts in this section and add the remaining in the appendix.

NOTE: Contact Debi Scholar for a copy of the Excel document.

Incremental Cash Flow Summary	2009	2010	2011	2012	2013	Total
Total incremental inflows	183,750	1,811,250	1,811,250	1,811,250	1,811,250	7,428,750
Total incremental outflows	158,750	367,500	340,113	339,091	343,189	1,548,642
Net incremental cash flow	25,000	1,443,750	1,471,138	1,472,159	1,468,061	5,880,108
Cumulative Incremental cash flow	\$ 25,000	\$ 1,468,750	\$ 2,939,888	\$ 4,412,047	\$ 5,880,108	



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Marketing and Implementation

ANSWERS THE QUESTIONS:

- How do we know the business wants us to deliver these services?
- What is the market potential for these services? Is there unmanaged spend today? How much?
- What is our service and industry?
- How do we differ from our competitors? What is our unique selling proposition? (keep in mind -- our competitors may be someone internal such as ad hoc meeting planners or EAs planning meetings)
- What are the strengths and weaknesses?
- How do our business competitors manage these services?
- How do we sell this service? And, for how much?
- Is it insourced, outsourced or both? Why?
- What is going on in the environment that could affect our plan and our success potential?
- How do we educate and motivate customers and potential customers?
- How will our customers evaluate the value or importance of our service?

How do our customers make their buying decisions?
 Do our customers have purchasing policies to follow? (RFPs, etc?)
 Who makes the decisions?
 Who influences the decision making?
 Who approves the spending? What are their spending limits?
 How will we distribute our message? To what audiences? By what mediums?
 How will the solution be implemented?
 Who owns the project plan?
 What are the priorities?
 Who is responsible and how will we manage the changes to the environment?
 What training is required and for what audiences?
 What compliance and consequences will be in place?
 How will we know if we're successful?

Determining the market segments and targets

Market	Entire enterprise
Market Segment	Business Unit #1
Target Market	Within Business Unit #1, we will target: a. EAs b. Other ad hoc planners (HR, Marketing, etc.)



Marketing Mix

The 4 P's of the normal marketing mix, product, promotion, price and place, take on slightly different meanings within the scope of this business case.

Product (Service) Educate on who provides the services and what services are available. <ul style="list-style-type: none"> Meeting Management Company (or internal resources) provides 	Promotion (Communication theme) Motivate to want to use service. <ul style="list-style-type: none"> Improved service quality and professional consulting Risks associated with contracts and will be mitigated Ease of planning Importance of ethical behavior
Price (Perception of value) Evaluate worth or importance <ul style="list-style-type: none"> Actual spend/cost reductions against budget Auditing controls are in place 	Place (Distribution method) Circulate message <ul style="list-style-type: none"> Targeted emails from the business leaders Meeting Resource Center (website) Teleconference calls

	<ul style="list-style-type: none"> • Webinars • E-Newsletter • Lunch 'n Learns
--	---

Selecting the Marketing Mixes

Two way communication	One way communication
<ul style="list-style-type: none"> • Conferences, conventions • Receptions, bfast, lunch or dinner meetings • Social events • Webinars, social networking groups, blogs • Word of mouth • One on one conversations 	<ul style="list-style-type: none"> • Advertising (websites, print, TV, radio, yellow pages) • Mail (direct, email) • Newsletters, informational • Public relations (press releases, interviews, etc.) • Incentives, gifts • Branding

Selecting the Target Markets

Business Unit #1				
Theme/Purpose	Business Unit Leaders	Budget Holders and Approvers		
Educate and obtain buy in	COO, CFO, CPO, etc.	All within Business unit		Target Markets
	EAs	Ad hoc Planners	Suppliers	
Inform, Change Behavior	All EAs	HR and Marketing Support Staff who are planning meetings	Hotels Sales that are known to work with EAs, HR and Marketing Staff	

Selecting the Marketing Activities

Marketing Mix Activity	Target Market	Key Messages	Activity	Start Date	End Date	Budget	Responsibility
One on one conversations	Each C-level business unit leader	<ul style="list-style-type: none"> •Cost Savings •Risk Mitigation •Right Person/ Right Role •Ask to support and communicate 	Executive Sponsor to set up calls and meetings			\$0	Executive Sponsor
Multiple	All EAs	<ul style="list-style-type: none"> •Services provided and who provides them •Encourage conformity •Compliance •Risk Mitigation •Professional assistance •Ask to support and communicate 	<ol style="list-style-type: none"> 1. Set up Webinar 2. Send out emails 3. Participate in monthly team meeting 				Manager
ETC							

NOTE: For another view of a Communication Plan form, please (See Appendix C).

Marketing Measurements

Activity	Expected Results and Measurements	Performance Standards and ROI reporting	Review and analyze timetable
One-on-One with C-Level	Educate and motivate To have leaders communicate compliance requirements to their staff. Increase awareness on quantity of unmanaged spend.	Review Business Unit unmanaged spend reports expecting reductions from baseline. Reduction in unmanaged spend by business unit X% of actual meeting spend.	Review current stakeholder organization charts at end of fiscal year. Determine if names have changed and if more messaging must go out. If unmanaged spend does not decrease by X% by [date], escalate communications efforts and reduce original objectives.
ETC.			

[The Project Plan Milestones include:

- Business Case requested approval by [date].
- Milestone #2 and date
- Milestone #3 and date
- Etc.]

For the complete project plan, please (See Appendix D)

Conclusion

ANSWERS THE QUESTIONS:

What is the most important message of this business case?
 What is the business objective it maps to?
 What problem will it solve?
 What will it cost?
 What motivational ending will sell it?

[In conclusion, analysis shows ...]

[In order to increase service quality, avoid risks and reduce costs, it is recommended that ...]

Glossary

Term or Acronym	Definition	Description
CMP	Certified Meeting Professional	
FTE	Full Time Equivalent or Full Time Employee	
NBTA	National Business Travel Association	The association who coined the term, "Strategic Meetings Management Program" in March, 2004.
SMMP	Strategic Meetings Management Program	
USP	Unique Selling Point	

Appendix

- A. Risk Impact Graph
- B. Financial Analysis
- C. Communication Plan Form
- D. Project Plan
- E. Other Ideas

Appendix B – Financial Analysis

Every organization has their own business measurements for valuation. This example is meant to be exacty that.. a very simplistic example. Work with your leadership and financial team to determine the best way to present a value proposition.

Debi Scholar

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Potential Savings Explanation					
NOTE: These savings not be typical in your environment. Savings may be higher or lower. It is common for savings to even out as the program matures. As such, it is recommended to continue finding cost savings ideas from the SMMP Value Proposition.					
SMMP Value Prop Categories	partial volume	partial volume	100% volume		
	Year 1	Year 2	Year 3	Year 4	Year 5
Strategic Sourcing	10% savings on 25% volume	13% savings on 100% volume	10%	10%	10%
Demand Management		6% savings on 50% volume	5%	5%	5%
Productivity, Process and Resource Mgmt		4% savings on 50% volume	3%	3%	3%
Policy and Compliance Mgmt.		0	2%	2%	2%
Total Savings	10%	25%	20%	20%	20%
Another's perspective from G&M:	10-Aug	up to 30%	20-25%	20%	15%
NOTES on savings/cost avoidance:	The more mature the program, the cost avoidance goes up and the savings will go down. Get your savings close to zero. Once you have preferred suppliers in place, you will not necessarily be saving money but rather, avoiding costs. To accountants, you cannot call something a "savings" unless you can remove it from next year's budget.				
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TEMPLATE: Modify for your environment				
Assumptions:		Meeting volume will remain constant and flat throughout 5 years		
NOTES on the Assumption: BE CONSERVATIVE. The volume will most likely go up - not necessarily because volume increases, but rather more is being captured.				
Cash inflows	Assumptions	Assumed Value	Assigned Name	Comments
	Strategic Sourcing (year 1)		10% SS_Yr_1	25% of volume
	Strategic Sourcing (year 2)		13% SS_Yr_2	100% of volume
	Strategic Sourcing (year 3-5)		10% SS_Yr_345	100% get controls are in place so the savings recognized are decreased
	Demand Management (year 2)		6% DM_Yr_2	50% of volume for year 2; 100% volume year 2
	Demand Management (year 3-5)		5% DM_Yr_345	100% get controls are in place so the savings recognized are decreased
	Productivity, Process and Resource Mgmt (year 2)		4% PPR_Yr_2	100% of volume
	Productivity, Process and Resource Mgmt (year 3-5)		3% PPR_Yr_345	100% get controls are in place so the savings recognized are decreased
	Policy and Compliance Mgmt. (year 2-5)		2% PC_Yr_2345	50% of volume for year 2; 100% volume year 3-5
	Ad hoc Sourcing		3% AS_Yr12345	25% of volume
Cash outflows	Assumption	Assumed Value	Assigned Name	Comments
	Total T&E Spend	\$ 35,000,000	Total_TE	
	Total Meeting Spend	\$ 10,500,000	Total_Mtg	
	Total Salaries	\$ 200,000	Total_Sal	
	Salary growth rate		3% Salary_Growth	
	Salary - one person	\$ 75,000	Salary_One	
	Overhead rate		25% OH_Rate	
	Overhead growth rate		5% OH_Growth	
	Number of employees		3 Num_employees	
	Meeting technology	\$ 50,000	Mtg_tech	
	Add'l mtg technology	\$ 250,000	Add_mtg_tech	Add'l technology required for year 2-5
	Meeting Mgmt Co	\$ 1,050,000	MMC	50% volume for year 1 and 2, 100% volume years 3-5 (10% of meeting volume)
	Meeting Mgmt Co at premium pricing	\$ 1,102,500	MMC_at_premium	50% volume for year 1 and 2, 100% volume years 3-5
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Cash outflows	Assumption	Assumed Value	Assigned Name	Comments
	Total T&E Spend	35000000	Total_TE	
	Total Meeting Spend	\$ 10,500,000	Total_Mtg	
	Total Salaries	\$ 200,000	Total_Sal	
	Salary growth rate		3% Salary_Growth	
	Salary - one person	\$ 75,000	Salary_One	
	Overhead rate		25% OH_Rate	
	Overhead growth rate		5% OH_Growth	
	Number of employees		3 Num_employees	
	Meeting technology	\$ 50,000	Mtg_tech	
	Add'l mtg technology	\$ 250,000	Add_mtg_tech	Add'l technology required for year 2-5
	Meeting Mgmt Co	\$ 1,050,000	MMC	50% volume for year 1 and 2, 100% volume years 3-5 (10% of meeting volume)
	Meeting Mgmt Co at premium pricing	\$ 1,102,500	MMC_at_premium	50% volume for year 1 and 2, 100% volume years 3-5
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Cash Flow for Business Plan		Use with the "Value Proposition Opportunities" document					
Proposed Scenario		We are presuming that unmanaged spend can benefit by numerous benchmark savings opportunities. However, a better way to calculate the benefits would be by knowing the current amount of spend and finding ways to reduce it.					
Meeting Spend	\$ 10,500,000.00						
		Intelligence and Development phase; Strategic Sourcing and Planning negotiations implemented for 25% of volume	Strategic Sourcing 100% Implemented; Other SMMP value prop components 50% implemented	SMMP Value Prop components implemented 100%; Full production	Full SMMP in place	Full SMMP in place	
		2009	2010	2011	2012	2013	Total
Cash Inflows / Benefits and Gains							
Strategic Sourcing		262,500	1,365,000	1,050,000	1,050,000	1,050,000	4,777,500
Demand Management		0	315,000	525,000	525,000	525,000	1,890,000
Productivity, Process and Resource Mgmt		0	210,000	315,000	315,000	315,000	1,165,000
Policy and Compliance Mgmt.		0	105,000	210,000	210,000	210,000	735,000
Total cash inflows		262,500	1,890,000	1,890,000	1,890,000	1,890,000	7,822,500
Cash Outflows / Costs & Expenses							
Staff Salary		200,000	206,000	212,180	218,545	225,102	1,061,827
Overhead Expenses		50,000	52,500	55,125	57,881	60,775	276,282
Meeting Technology*		50,000	250,000	250,000	250,000	250,000	1,050,000
Meeting Management Company or Outsourced Resources (internal or rent space?)		525,000	525,000	1,050,000	1,050,000	1,050,000	4,200,000
Change Management, Training, Communications		10,000	15,000	10,000	5,000	5,000	45,000
Total cash outflows		835,000	1,048,500	1,577,305	1,581,427	1,590,877	6,633,109
Cash Flow Summary							
Total inflows		262,500	1,890,000	1,890,000	1,890,000	1,890,000	7,822,500
Total outflows		835,000	1,048,500	1,577,305	1,581,427	1,590,877	6,633,109
Net cash flow		(572,500)	841,500	312,695	308,573	299,123	1,189,391
Cumulative cash flow	\$	(572,500)	\$ 269,000	\$ 581,695	\$ 890,268	\$ 1,189,391	
<p>"Using a technology as a "time savings" or "improvement" may be challenged. I recommend that a 2nd proposed scenario be created that does NOT use technology. For instance, more resources may be required if technology is not pursued. Only add technology if you can show that the time/productivity/usefulness will result in added benefits. So, adding technology may result in increased productivity (more sourcing in less time, less time spent on attendee management, or reducing headcount.) In addition, remember that adding technology may not be 100% responsible for reducing cycle time. It may be that hiring more experienced staff can attribute to the goal. So, careful consideration to the savings estimates is necessary.</p>							
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Cash Flow for Business Plan		Use with the "Value Proposition Opportunities" document					
Business as usual							
Meeting Spend	\$ 10,500,000.00						
		2009	2010	2011	2012	2013	Total
Cash Inflows / Benefits and Gains							
Strategic Sourcing		78,750	78,750	78,750	78,750	78,750	393,750
Demand Management		0	0	0	0	0	0
Productivity, Process and Resource Mgmt		0	0	0	0	0	0
Policy and Compliance Mgmt.		0	0	0	0	0	0
Total cash inflows		78,750	78,750	78,750	78,750	78,750	393,750
Cash Outflows / Costs & Expenses							
Staff Salary		75,000	77,250	79,568	81,955	84,413	398,185
Overhead Expenses		50,000	52,500	55,125	57,881	60,775	276,282
Meeting Technology		0	0	0	0	0	0
Meeting Management Company or Outsourced Resources		551,250	551,250	1,102,500	1,102,500	1,102,500	4,410,000
Change Management, Training and Communications		0	0	0	0	0	0
Total cash outflows		676,250	681,000	1,237,193	1,242,336	1,247,688	5,084,467
Cash Flow Summary							
Total inflows		78,750	78,750	78,750	78,750	78,750	393,750
Total outflows		676,250	681,000	1,237,193	1,242,336	1,247,688	5,084,467
Net cash flow		(597,500)	(602,250)	(1,158,443)	(1,163,586)	(1,168,938)	(4,690,717)
Cumulative cash flow	\$	(597,500)	\$ (1,199,750)	\$ (2,358,193)	\$ (3,521,778)	\$ (4,690,717)	
<p>check formulas and OH rates</p>							
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Incremental Cash Flow							
Meeting Spend	\$	10,500,000.00					
		2009	2010	2011	2012	2013	Total
Incremental Cash Flow Summary							
	Inflows-Proposed	262,500	1,890,000	1,890,000	1,890,000	1,890,000	7,822,500
	Inflows-BAU	78,750	78,750	78,750	78,750	78,750	393,750
	Incremental Inflow	183,750	1,811,250	1,811,250	1,811,250	1,811,250	7,428,750
	Outflows-Proposed	835,000	1,048,500	1,577,305	1,581,427	1,590,877	6,633,109
	Outflows-BAU	676,250	681,000	1,237,193	1,242,336	1,247,688	5,084,467
	Incremental Outflows	158,750	367,500	340,113	339,091	343,189	1,548,642
	Simple ROI	-84%	293%	333%	334%	328%	
	Net Incremental Cash Flow	25,000	1,443,750	1,471,138	1,472,159	1,468,061	5,880,108
	Cumulative Cash Flow	25,000	1,468,750	2,939,888	4,412,047	5,880,108	

Appendix C - Communication Plan Form

Theme: Communicate importance of using meeting management services									
Description	Messages	Audience/ Stakeholders	Purpose/Goal	Medium	Developer and Timing	Approver and Timing	Deliverer and Timing	Status	Feedback
Present opportunity	<ul style="list-style-type: none"> •Cost Savings •Risk Mitigation •Right Person/ Right Role •Ask to support and communicate 	Each C-level business unit leader	To obtain buy in and ask them to distribute messages to their reports	One-on-one conversations followed up by email	Mtg. Png. Mgr. (date)	Executive Sponsor (date)	Executive Sponsor (date)	On target	Confirm that message went out and agreed upon

Appendix D - Project Plan

MS Project would be best to show the comprehensive project plan. If you do not know how to use it, use a simple table for the work breakdown structure of each task.

Activity	Start Date	End Date	Assigned

Appendix E - Other ideas

Other things you may want to include in the appendix are:

- The financial spreadsheets to back up the numbers in the financial section
- Organization charts and bios of key staff
- Meeting and/or Travel policies
- Screen shots of technology interface or system

- Skillset analysis
- Research by NBTA, MPI or other organizations
- Cost comparisons of suppliers proposed
- Process maps and project plans
- Sample metrics and reporting analysis

Resources used to create the business case

- The Definitive Business Plan by Richard Stutely, published by Financial Times, Prentice Hall.
- <http://www.canadabusiness.ca/ibp/>
- The Business Case Guide, second edition, by Marty Schmidt.
www.solutionmatrix.com
- Perfect Phrases for Business Proposals and Business Plans by Don Debelak, published by McGraw-Hill