

Your Guide To Better Value in Incentive Travel



You will learn:

- Top research that demonstrates how travel incentives increase performance
- The 4 hidden costs of in-house planning
- The 5 fatal flaws companies make hiring meeting planners—and how to avoid them
- Two tips on timing your trip for maximum ROI
- 4 foolproof ways to get the biggest bang for your travel buck

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Research proves incentive travel works

Why travel incentive rewards are a good idea

Employee incentive programs and incentive travel rewards are a good idea for the simple, psychologically sound reason that every manager, leader, teacher, or parent knows intuitively: **People will repeat behaviors for which they've been rewarded.** Recognition and reward are powerful positive reinforcers of behavior. And travel rewards—because they are remembered longer than cash or merchandise¹—are among the most powerful. Derived benefits of incentive travel include:

- Increased sales
- Enhanced customer service
- Enhanced product
- Greater employee motivation
- Clearer understanding of core corporate values
- Increased customer loyalty
- Stronger team dynamics

A comprehensive study conducted over the course of a year by The Society of Incentive & Travel Executives on the link between incentives, motivation, and performance in the workplace found that incentives dramatically increase individual performance by 27 percent.

Incentive travel creates positive ROI, increases sales

Because incentive travel can dramatically increase individual performance, it's an ideal motivator in a sales environment, and in fact, pays for itself. Here's how—let's say your organization needed to increase sales by a certain percentage. By making an incentive trip the reward for reaching those numbers on an individual basis, your organization will only pay for trips that have, essentially, already paid for themselves. In fact, according to the same survey, 92% of workers surveyed say they achieve goals precisely because of incentives offered to do so.

This means incentive travel gives business leaders a financially sound tool to motivate team and individual performance. More results from the Society of Incentive and Travel Executives demonstrate:

Programs aimed at teams increase performance 45 percent on average
57 percent of corporations surveyed reported that objectives were **met or surpassed.**²

With incentive travel, you can get more bang for your corporate buck and ensure that the program you've chosen ultimately delivers on its intent—refreshed, appreciative travelers who are more loyal, and more eager, than ever to repeat—or beat—that prize-winning behavior.

In-house or Outsource?

If you've had reward trips in the past, and especially if they've been smooth, successful operations, you may be toying with the idea of doing it in-house this time. The truth is, most midsize to large corporations actually do have a lot of the resources they need for planning a large travel incentive event. You know your corporate culture, your customers, and your employees better than anyone else. You probably already have more than one individual on your payroll who is smart enough, organized enough, and industrious enough to devote themselves fully (and we do mean *fully*) to creating a great incentive trip. But, without disparaging the organizational skills or technological savvy of your own internal talent, it's probably safe to say that the real success of a good travel incentive package actually rests more on the resources you don't have, than on the ones you do.

“The use of outside service providers for many transactions, such as tax preparation, isn't questioned. Similarly, if one is going to spend hundreds or thousands of dollars, as well as a good chunk of valuable leisure time, it makes great sense to use a professional.”³

Ron Perry
Oklahoma Journal Record

The 4 hidden costs of doing it yourself

Group travel planning is not a single endeavor, but a combination of many, perhaps hundreds, of coordinated executions. Focusing narrowly on only one of those executions—the apparent ease with which internet hotel reservations seem to take place, for example—can not only obscure the real complexities involved but deprive you of significant value you may not be aware of. Before committing to doing it yourself, consider these four sources of potential hidden costs.

1. Losing the knowledge base

The best travel and meeting planners operate on a significant knowledge base. Denying the value of that knowledge base because you've done a lot of traveling or planning is a lot like assuming you'd be a good mechanic just because you drive a car. The travel and meeting planning pros actually do have some highly specialized knowledge. The list below highlights only some of it:

- Ability to negotiate fares and obtain concessions
- Familiarity with a vast number of destinations and accommodations
- Expertise with Group Air booking, coordination and control
- Experience with charter flight operations
- Current knowledge of airline, cruise, promotions, unpublished discounts
- Thorough understanding of cancellation penalties and restrictions
- Established relationships with hundreds of suppliers and vendors
- Knowledge of passport, health and visa requirements
- Practical knowledge of exchange rates and worldwide monetary policies
- First-hand knowledge of airports and ground transportation options
- Hotel Registration Website creation and management expertise
- Background experience with marketing and creative services
- Site management & staffing experience
- Contract Consultation & Negotiation

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Phone: 404.591.7155 Toll-Free Number: 800.581.4780

2. Losing real dollars

From missing out on discounts, unpublished fares and consolidator rates with the airlines, to losing upgrades, amenities, favors and other value-added concessions with the hotels, there's a lot of money to be left on the table when you approach group travel from a novice perspective.

The friendly reservationist you speak to at an airline or hotel is never going to volunteer information on how to save money. That type of dynamic—You don't know, so they don't tell—applies to virtually every aspect of group travel and group meeting planning.

There's money at risk, too, in the proverbial "fine print." Incentive travel professionals can save you real dollars by ensuring that your hotel contracts are fair and lack back-end pitfalls. Their insider experience with venue contracts can increase savings and reduce liability in regard to attrition policies, cancellation policies, *force majeure* clauses, and hotel performance clauses—not to mention making sure you get air travel programs that meet your real needs.

... the logistics can be staggering. Think personal travel and then multiply those logistics by a factor of 50 or 300 or more. And unlike ordinary business trips, incentive travel must deliver a "wow" factor.

Ann Lallande

3. Losing the security

If you accidentally book a traveler's flight online for the wrong week, you're probably going to find it difficult, if not impossible, to change the reservation or get your money back. But because of the myriad relationships that professionals have with airlines, cruise lines, hotels, and others in the hospitality industry, they have more clout than the average individual and more power to fix booking mistakes. They can be powerful consumer advocates, too, when it comes to special needs arrangements and general problem-solving.

4. Losing the time

The element of travel incentive or large-meeting planning that is most seriously underestimated is not money, but **time**. Your HR person, or committee, may eventually get around to worrying about every single tiny detail—from the luggage tags, to the name badges, to arranging ground transportation—but do you really **want** them to? Is that the best use of your company's resources? As Ann Lallande noted in HR Magazine, "the logistics can be staggering. Think personal travel and then multiply those logistics by a factor of 50 or 300 or more. And unlike ordinary business trips, incentive travel must deliver a "wow" factor."⁴

A professional Group Air team, often planning months or years in advance, can work with both scheduled and charter carriers to plan, coordinate, ticket and safely deliver each individual group member – often from 100 or more points of origin, from all over the world – to a single, exotic locale in time to enjoy a "welcome cocktail" with their fellow travelers, and then send each traveler safely back home to their friends, family and coworkers with whom they will share their adventures through photos and vivid descriptions of their special trip. That feat, to echo Lallande, involves staggering logistics, indeed.

While your planner may enlist the services of other pros along the way, the single greatest advantage of employing a professional to manage incentive travel is that **one point of contact**. That one phone call, weighed against hundreds—perhaps thousands—can mean an inestimable savings in time.

Five fatal flaws companies make in hiring meeting planners (and how to avoid them)

There is as much variety, and as many levels of service and quality in group travel and incentive travel management as there is most every other industry. Your search for a planner, however, need not be random or uninformed. First of all, be certain you're choosing an experienced incentive travel planner. Travel designed to recognize performance must be clearly distinguishable from a typical vacation or meeting experience. Here's how to avoid the five most common mistakes companies make in picking their incentive travel team:

1. Skimming credentials

Obviously you'll ask for references and client testimonials. But beware the company that won't surrender *real* names and *real* contact information for supporting their experience. A good planner is justifiably proud of its incentive travel successes and will be eager to offer you references. The more reputable planners will also maintain memberships and affiliations with organizations that provide invaluable information, education and access to suppliers. Most travel planners seriously involved with incentive travel belong to SITE, the Society for Incentive & Travel Executives.⁴

2. Forgetting about the back end

Many group planners can save companies money by using software programs that track air fares continuously. Group Air reservation software can enable rebooking of a ticket up to 24 hours before departure if the fare drops. Online hotel registration software can streamline registration and check-out, inventory control and attendee communications.

But technology can be important for control and compliance also. Many companies are turning to travel management companies to assist them in tracking and controlling travel and maintaining Sarbanes-Oxley compliance with corporate travel policies.⁵ The larger firms, with many subsidiaries and commercial connections, however, may actually make you more technologically vulnerable. Be sure to ask about client confidentiality policies and the security of your travelers' information.

3. Ignoring long-term value

Basic service issues can be central to a good working relationship between you and your planner. You may be working with this company for quite some time, so ask questions about their hours of operation and also about after hours and emergency availability. Will you have a personal contact number for the representative or account manager you'll be working with? Is there an 800 number you can use if you're in another city?

4. Overlooking eagerness, service

Above all, you want to look for a company that is interested in building a relationship with you. Their representative should spend some time asking you about your corporate culture, your company's values, and your specific goals for this event or how to best fit your needs. Determine if the travel management firm you are considering will designate a specific account executive to work with you on the development of your program from day one, and to be on-site

throughout the program. This policy ensures continuity of information and details. This also creates a tightly managed and efficiently run program environment from the initial development stage.

5. Buying too big

Travel and meeting planning agencies can range in size from very small two or three-employee family-owned entities to national chains with hundreds of locations and thousands of employees. Bigger is not always better. The assumption is that the larger company will be able to negotiate better rates with airlines, hotels and other suppliers and should have more infrastructure, support and added-value services. That's the assumption. But it's not always the case.

A smaller firm may belong to one of several buying consortiums that effectively can give it similar purchasing power and negotiating clout of the mega-agencies. If you're a small to midmarket client, then the similarity in size between you and a smaller firm might make for a more comfortable match.⁶

The truth is that many of the very best meeting planners at smaller firms have left their employers at a mega-meeting planning company in order to manage or work in a smaller one that can provide more flexible, personalized service and a friendlier atmosphere for their clients and staff.

In the words of Shirley Blaine, owner and CEO of Age of Travel, Inc., "Unlike the big guys, when a client talks to one of our planners, that person has the authority to take action—they are empowered on behalf of the client." Even as CEO, Shirley herself is highly involved and available to any client at any time. "We personalize our services to each and every client and tailor the program to their needs," says Shirley. "We don't use templates and we have no off-the-shelf product."⁷

Two tips on timing your trip for maximum ROI

1. Shoulders – a timing secret from the pros

The pros will know how to help you schedule for the best dollar value. They can offer guidance, for example, in scheduling your incentive program during "shoulder" season, the time of year when resort activity is slower than high season, and the resorts are willing to offer better rates in order to fill the gap—for example, Costa Rica in late November. The pros are also contacted regularly by those venues with occupancy holes due to unexpected cancellations and who are therefore willing to offer incredible rates.

Obviously, the professionals can advise you on the generally well-known, but frequently overlooked, timing issues—like not planning for the Caribbean during hurricane season or trying to move a group anywhere in Japan during Golden Week. They can also add immeasurable value to your trip by timing for local fairs, golf tournaments, festivals and exhibits. And the ability to time the Welcome cocktail party to coincide with the Pacific sunset is why the pros are worth their weight in both real, and metaphorical, gold.

Consider timing. Whether it's the duration of the qualifying period or the pacing of recognition, timing can impact a program's success. Too little time to meet objectives might discourage employees from participating, and too much time may cause them to lose interest and suspect that they'll never see the payoff.

Anna Lallande

2. Emotions - balancing weather and reward

All the timing value we've described, however, can dissipate under certain conditions. The farther down the road that the reward for meeting that important sales quota goes, the less likely it is to be connected to the behavior. Remember that we're talking about creating an *incentive*, not a memorial. You want to bring them home fresh and fired up, glowing in the satisfying knowledge that their efforts are genuinely appreciated.

Four foolproof ways to get the biggest bang for your incentive buck

1. Communication throughout

It is almost impossible to overestimate the importance of communication in ensuring the highest possible incentive value for your program. It should come as no surprise, then, to learn that in the science—and the art—of communication, the best planners don't just shine, they dazzle. Often they work with a client to create a theme and to tailor a look-and-feel for the group that will reflect the client's goals and set the tone for the trip many months before the first guest arrives on-site. By designing and producing a variety of on-line promotions, printed collateral, themed marketing materials, and mid-contest teasers, they can generate fever-pitch enthusiasm for the trip and correspondingly for the goals the incentive is designed to reward. Art, and science, are also necessary

- For communicating expectations, travel arrangement details, ongoing news and changes
- For formally welcoming participants on-site and disseminating local information
- For enabling ongoing connections among participants during the stay
- For acting as ongoing liaison between participants and the hotel and other suppliers
- For formally bidding participants farewell and providing check-out and departure information
- For kicking off next year's sales incentive program

Finally, communication is invaluable in refreshing and reaffirming the positive aspects of the trip to participants (thereby generating enthusiasm for the *next* incentive) and for post-trip analysis and reporting to management.

2. First and last impression

Because it will be the first, and last, impression of the trip, the importance of the flight experience in insuring that you get good incentive value for your investment can't be denied. Getting there, and getting home, safe, contented, without experiencing undue stress, hunger, or mishap can significantly color the larger picture. The role of a professional planner in ensuring that your travelers get good ticketing, on good flights, at good times, with good seating arrangements is invaluable.

3. Handling Murphy's Law

While professional planners can offer significant protection against the effects of Murphy's Law, when bad things do actually happen, experts have experience with knowing how to handle them well. When something goes wrong, the professional meeting planner already has a success strategy for putting your goals back on track—instead of brainstorming a solution, they can start solving—based on experience with how to turn the issue around.

For example, when Laura McMurrain, VP of Organizational Development at John Wieland Homes, needed to fly 800 employees to Hawaii in time for an important awards banquet, 220 passengers were stranded because a flight cancelled. Monumental Meetings immediately chartered a plane that delivered all 220 guests to the banquet in time to raise a toast to the winners. Working with Monumental Meetings, a sixteen year relationship, has freed the John Wieland team to focus on making memories, making connections, and celebrating their continued successes together.

4. Measure for success

The most important measure of your meeting's success is return on investment. You can protect your ROI by choosing a meeting planning firm that's fluent in the value of incentive travel, and the metrics you're trying to reward—such as appropriate sales behavior. A well run incentive travel program is self-liquidating because it will pay for itself in increased productivity and sales if the targets are properly set. Unlike cash which will likely be spent to pay the house note, or prizes and awards that will eventually end up in a drawer or on a shelf, a well-run incentive travel program lives on forever in the memories and photographs of the winner.

When you find the right planner, they can suggest ways to measure how well your goals were achieved (in addition to sales of course). Planners can assist you in choosing objectives for which success is measurable and define what will constitute achievement of each goal. Some typical methods include gauging success by having attendees fill out surveys about their experiences at the event. Planners can also help you compare the costs and benefits of an event and show whether it was worthwhile to the organization. For example, if a company holds a meeting to motivate its employees and improve company morale, the organization might track employee turnover before and after the meeting.⁹

However you choose to measure the success of your event, make sure your planning organization has an incentive-travel-centric culture that respects and responds to your goals, and you'll enjoy a successful, long term program that nets positive memories, positive results, and positive ROI.



Find Out More

We hope you've enjoyed this paper on getting better value on your incentive travel program. If your company is considering a travel incentive and would like to discuss the ideas and recommendations in this paper, we invite you to call a customer account representative at Monumental Meetings.

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Author Bios

SHIRLEY BLAINE, PRESIDENT & CEO, AGE OF TRAVEL

In 1973 Shirley's passion for travel led Shirley to open Age of Travel, a full-service travel agency founded on the principal that travel is the ultimate educational experience. While it was the allure of exotic lands and diverse cultures that first drew Shirley to the travel industry, she soon discovered that the business of Business Travel is, quite literally, the grease that lubricates the wheels of global commerce, and she built Age of Travel into one of Atlanta's top corporate travel management companies. Eventually, Shirley created a separate brand for her leisure clients – Blaine Travel, and in 1991, using the expertise garnered from planning meetings for her corporate clients, she founded Monumental Meetings as a stand-alone division dedicated to planning and operating group travel, meetings and incentive travel.

Through a combination of diversification, specialization, sound management and a steadfast commitment to customer service, Shirley has built and managed a travel business that, for more than 35 years has not only endured, but has thrived in an industry that has seen a 42% decline in the number of US travel companies in the past decade alone.

NANCY CRENSHAW, PRESIDENT, MONUMENTAL MEETINGS

Nancy graduated Queen's University in Canada. She worked in management in the insurance industry for ten years and was an educator for five years. Prior to moving to Atlanta, she lived in Argentina for three years. Nancy has been with the organization for over eight years and has fulfilled several roles including Office Manager, Director of Human Resources, and Account Executive for Monumental Meetings. In January 2006 she was appointed President of Monumental Meetings. She works closely with vendors and clients worldwide. Nancy is client driven and strives to exceed expectations. Building a team of bright, creative, organized and energetic team members is one of her primary roles.

BARBARA BLAINE MCREE, VICE PRESIDENT VENDOR & GROUP AIR NEGOTIATIONS

Barbara graduated from the University of Georgia and continued her education there working towards a masters degree in Special Education. Barbara joined the company in 1979 as a part time employee. Upon realizing how much she enjoyed the industry she chose it as a full time career. Now with over twenty-six years of industry knowledge she leads our team in vendor development and relationships. She is highly successful in negotiating cost and value added product for our clients.

STEVE PARISH, EXECUTIVE VICE PRESIDENT

Steve, a native of Atlanta, joined Monumental Meetings' parent company, Age of Travel, as Executive Vice President in 2005 after returning home from Cincinnati, Ohio where he finished an illustrious twenty-year career with Japan Airlines (JAL). A graduate of Georgia State University with a degree in Journalism, Steve has more than 30 years of international sales and marketing experience in the airline, incentive travel and group tour industry with JAL, Korean Airlines, Philippine Airlines and Swiss-based Kuoni, one of Europe's leading Destination Management companies. Steve has an

aptitude for developing relationships and a talent for bringing a diversity of people together in pursuit of a common goal.

RICHARD FISHER, BUSINESS DEVELOPMENT

Richard Fisher has seventeen years of experience in the Hospitality/Tourism/Meetings & Incentive industry. After seven years in the hotel business training in all departments, Richard attained the position of Food & Beverage Manager at London's Hampshire Hotel, a Radisson Edwardian property. Richard moved to the travel business in the European Operations Department with a US-based educational tour operator which eventually led to a sales position with the Meetings & Incentive division of a travel management company. Richard has worked in the Meetings & Incentive industry in sales for ten years and applies his operational, on-site and hospitality legal / contract experience to growing new business and account management. Richard joined Monumental Meetings in February 2006 after completing his law postgraduate studies and working on a six month project for the Hospitality & Association Law Firm of Foster, Jensen & Gulley LLC in Atlanta, GA.

Richard is a native of London, UK and holds a BS degree in Hotel Management from Thames Valley University London and a JD Law degree from Birmingham School of Law, Birmingham Alabama. Richard speaks fluent German.