

The background of the slide features a faded, high-angle view of a street in Oxford, England. On the left, a large, classical building with a prominent dome and columns is visible. On the right, a tall, Gothic-style church spire rises into the sky. The overall scene is bright and slightly hazy, suggesting a sunny day.

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# Current Agency Trends

- Transparency
- Procurement
- The Event Life Cycle
- Flexibility of Suppliers
- TOMS and VAT
- Risk Assessment

These trends are in no particular order, but perhaps most important for 'partners' is understanding transparency and actioning flexibility.

# Current Agency Trends

- **Transparency**

- These days most agencies operate a fully 'open book' costing ... like being wrapped in cling film.
- We submit budgets to clients as a 'menu of costs', all at nett rates – with NO COMMISSION – and our time based fee.
- In some cases, clients want to settle ALL bills directly, after the agency has reconciled them.
- In my opinion, this 'open book' process is fairer and cleaner for both the client and the agency, as agencies do not need to upsell to the most expensive just for higher commission ... it takes the same time to contract a 3 or 4\* hotel as a 5\* so the time based fee is the same. If the client changes the brief and we have to re-negotiate and re-contract, the clock is running on our fees. At the same time, the better the client brief in the first place the lower our fees.
- This method of charging places M+IT agencies in the 'marketing services' category, according to CIPS – similar to PR, advertising and marketing communications – and takes us out of 'travel' which is a commodity (vs service).

# Current Agency Trends

- **Procurement**

- Procurement / purchasing has taken the lead in demanding 'transparency'.
- Eventia working with CIPS (Chartered Institute of Purchasing + Supply) to produce 'How to Buy Event Services' for it's 42k members in the UK. This was most valuable in moving 'events' out of the travel column (which is a commodity) into a marketing service (fees based primarily on time).
- During these tough economic times, procurement has taken the lead over our normal stakeholders (marketing, sales, etc) and have a much tighter control on budgets.
- The current trend we have experienced is a move from 'adding value' and supplying ROI after the event to 'cutting costs' and justifying the event before getting approval – which significantly delays the process.
- Interestingly, many agencies – particularly the larger groups – are now introducing procurement principles into their operations with 'preferred suppliers'.

# Current Agency Trends

- **The Event Life Cycle**

- **The event industry evolved as a client led 'group booking service', bundling together hotels, flights, transfers, meals and activities like a corporate tour operator. We simply handled the 'where' and 'how much'.**
- **This has changed with event agencies becoming proactive partners with many clients, and we must fully understand the 'why' and 'how' and event is required.**
- **We need to understand the client company's culture, objectives, branding, style, demographics of attendees, ROI and ROO.**
- **A significant change over the past couple of years is a dramatic reduction in 'advance booking'. We used to have 6 to 9 months from initial brief to operating an event. Today we are lucky to get 12 weeks maximum – and 4 to 6 weeks is not unusual.**

# Current Agency Trends

- **Flexibility of Suppliers**
  - As agencies have become proactive partners with their clients, so suppliers must become partners with agencies.
  - Flexibility is required in contracting, facilities, and attitude.
  - Attitude is the easy one ... we need to partner with our suppliers to create a free-flow communication so everyone has a part in a successful event.
  - Flexibility in facilities is simply considering what may seem a bizarre request – changing the car park into an exhibition area, the tennis court into a media centre, renaming suites to top achieving attendees.
  - The standard 'no change' contract and T+C's cannot survive in today's market. An agency should be up front with all suppliers regarding the client needs, and particularly if there will be a tough time getting payments turned around quickly.

# Current Agency Trends

- **TOMS and VAT**
  - The option for event management agencies to 'opt out' of the Tour Operators Margin Scheme (TOMS) for their client's B2B events - thus allowing clients to reclaim the VAT on our management fees – was changed on 1<sup>st</sup> January 2010.
  - With Jersey's advantage when it comes to VAT you really should be shouting this from the rooftops and proactively pushing this benefit to UK and European agencies.

# Current Agency Trends

- **Risk Assessment**

- Risk assessment has been a very high priority for a number of years ... along with training of all our staff on crisis management.
- We issue a pre event questionnaire to all our suppliers. We need to know your security and fire procedures, your key personnel and how to reach them, insurance covers, recent health inspections, financial status and much more.
- Quite simply, I do not want any of my Oxford team – or our client – to have any surprises, or to be looking for a person, number or support after a crisis has occurred. They must be ahead of the game.
- All Oxford staff have been trained by Docleaf with annual updates.