Best Practices for Hotel MICE Sales Teams
Introduction

One of the hardest challenges you face as an hotelier is to attract, prioritise and convert MICE business leads. We’ve compiled best practices so you can optimise each step of the process, from capturing leads to converting MICE business.

The reality is that conferences and meetings already contribute £19.9 bn to the UK economy. Other top earners include films, music, and sporting events. Hotel owners are often surprised to learn that MICE business contribute more to the UK economy than all of these sectors combined.

The Revenue Potential of MICE

Even though hotels generate a lot of business, there is an opportunity gap: Room occupancy hovers around 80%, but meeting space is empty approximately 70% of the time. These statistics indicate that MICE business have the potential to generate even greater revenues for hotels—if they take the right approach.

At Cvent, we have tapped our expertise and experience working with hotels, meeting venues, and MICE planners to compile key insights that optimise the MICE sales funnel. Our best practice recommendations offer a step-by-step approach to driving process efficiency and revenue optimisation for MICE business across the lead funnel.
Best Practices for MICE Sales Success

Cvent has researched and defined a chronological process for sales teams and management that creates efficiencies and enhances return potential. Best practices encompass people, process, and technology to drive optimal results. They are as follows:

- Forecast / Sales Strategy
- Lead Capture / Evaluation
- Evaluation / Business Review
- Proposal / Negotiation
- Revisions / Execution
- Post-Mortem
- Reporting
Forecast / Sales Strategy

Understanding the revenue potential for each MICE lead is an essential foundation for every action that follows. If a hotel under-forecasts, they may leave money on the table or create resource issues. However, if they over-forecast, they risk falling short of revenue and profit goals. The four steps to a strong forecast include:

- Budgeting & Forecasting
- Prospecting through Marketing
- Free Sell Strategy
- Incentives

Budgeting & Forecasting

Many hotels conduct forecasting on an annual basis. The reality is that volume and leads fluctuate based on many factors, and forecasting once a year does not provide insight into actual activity and gaps. High-performing hotels forecast out 90 days—daily to weekly for both transient and groups—in order to have an accurate, current view. Accurate forecasting not only provides insight to management it can also fuel marketing and sales initiatives to proactively fill gaps for space, services and resources. Applying the same rigor to groups and ancillary services can strengthen sales and marketing effectiveness, as well as revenue results. Strong hotels tap the forecast to define the annual budget and they update the budget monthly based on actual revenues and forecast changes. This practice ensures that management, sales, marketing and ancillary teams are in sync. Effective staff utilisation can impact a hotel’s profit potential, and a well-defined forecast and budget process can support success.

Prospecting through Marketing

Group data is a useful tool to help define targets, timing and campaign content. Hotels that mine existing data to proactively identify group leads have an advantage. CRM systems offer insight into who to target, when to target them, and how. Both sales and marketing can benefit from this analysis, whether for new campaigns or for up-sell and cross-sell opportunities. Pursuing competitive RFPs, understanding loss scenarios, research on area specific MICE events and knowing about significant local events can also be advantageous. All of these help you drive pricing and marketing strategy.

Free Sell Strategy

Every opportunity to leverage hotel space into revenue should be considered. When event space opens up, whether due to unsold space or cancellations, the free sell team should be made aware so that it can offer the space to local organisations or for catering sales. A free sale calendar can be created to track and communicate about space openings. Sometimes it is more profitable to leave a space empty to avoid resource, staffing and labour costs, but that should be a calculated decision.

Incentives

Building a comprehensive incentive plan can help ensure that teams are focused on the broader opportunities to maximise the hotel’s revenue and profit potential. The incentive plan can also reward lead transformation. Actively transforming a poor lead for the hotel into a lead that is a better fit requires effort that could result in enhanced income and profitability. One example of this could be negotiating alternate dates to improve the quality of a lead, which is one of the many ways to nurture a lead to enhance bookings and revenue optimisation. Shifts in dates and/or space patterns to proactively accommodate more business can also minimise displacement. Incenting teams to transform leads can reap financial results.
Lead Capture / Evaluation

Every hotel wants leads coming in, but many do not have an efficient process for capturing, prioritising and nurturing leads through to booking. Strong hotels capture every single lead to ensure an understanding of their audiences, to provide great customer service and to not let any potential customers fall through the cracks. After all, a small lead could turn into a bigger one. Best practices for managing group leads include:

- **Lead Receipt & Capture**
- **Lead Scoring**

### Lead Receipt & Capture

Tracking and analysis of leads provides insight into marketing and sales initiatives. Analysis of leads coming into the hotel can impact audience targets, messages, campaigns, pricing strategy and planning for space and resources. With thorough data capture, information on leads can also be tapped to guide prospecting and communications.

Without efficient, defined lead data entry processes in place, tracking leads can easily become a time drain and process bottleneck. There are a number of technologies to facilitate manual lead entry, each with its own set of best practices. The system should account for duplicates and error checking through a data entry standard and sub-process, since inconsistent and inaccurate data can have dramatic negative impact on sales, marketing, reporting and customers.

Training sessions, team meetings, checklists and related incentives can support data entry normalisation across the organisation and support adoption and adherence. For larger hotels, a dedicated lead coordinator or technology solutions can help ensure accuracy. Regardless of technology and process choice, the system should be documented and enforced across the sales team to ensure consistency and accuracy.

### Lead Scoring

To gain insight on the potential of a group lead, it should be scored to determine best fit with the hotel. Scoring enables sales teams to prioritize and qualify leads for response, nurture, and event planning strategy. The score helps guide action and timing of follow-up, pricing strategy and initial space and resource allocation. Parameters for scoring include availability, group size, room and space needs, profitability, and fit. These data points are matched to venue’s group strategy and goals to rank leads.

Each lead should be assigned a master score, comprised of sub-scores from lead source variables. Below is an example of hotel variables for lead scoring:

Once a hotel has established its lead score variables, each lead should be scored and compared to others in the funnel for the same time period. The sales team can then focus on leads with the highest ranking, improving closing probability.

Some technologies can automatically estimate weights based on lead analytics and hotel data. Rigor applied to lead assessment and prioritisation of group leads can guide the sales team in understanding audiences, while ensuring that time and energy are applied to the most potentially lucrative prospects.
Evaluation / Business Review

The art and science of group strategy

After leads have been captured and scored, the team can work on identifying the best use of space and resources the top group leads. By providing best fit scenarios, the team is more apt to close the deal with a solution that works well for the customer and the hotel, optimising space, services and revenue. Each high-scoring group lead warrants a thoughtful review, keeping in mind revenue goals and optimisation targets, to quantitatively and qualitatively determine whether or not the lead will help the hotel meet objectives. Ultimately, the overall business review should involve the Director of Sales, Revenue Management, Catering, and perhaps the General Manager.

- Sleeping Room Availability
- Room Rate Pricing
- Room Pattern Fit Analysis & Displacement
- Transient/Group Room Displacement
- Space Availability
- Space & Catering Pricing
- Space Selection
- Menu Selection
- Space Set-up
- Function Space Displacement
“Turning a lead into a customer.”

Proposal and Negotiation

After the previous best practices have been addressed, the next step is to propose and negotiate a MICE contract. The recommendations below are best practices for this stage of lead management:

Propose

The quickest way to gain rapid approval on a proposal is to include the scenarios outlined by the customer in the inquiry and evaluation stages, including date requested, with availability, rates, F&B minimum, event information and function space rental details. These details would have been previously approved by internal teams, such as the director of sales and the revenue management leader.

To best benefit the hotel and customer, providing alternative dates and scenarios that could optimise space and positively impact revenues may enhance negotiations and provide a higher probability of booking the business. Proposals should also outline room rates for a total room block and sub-blocks, including different rates for same room types in order to illuminate the pricing structure.

Negotiate

The goal in negotiation is to secure the best possible arrangement that benefits both the meeting planner and the property. Skilled negotiation can either make or break a deal, so sales team members should be trained in tactics. Providing incentives to customers for booking options that offer maximised profit will help secure the deal, while keeping space open for other prospects. These incentives may also be valuable in competitive positioning against other hotels vying for that group’s business.

Initial bids should start high, allowing room for price reductions. Insights on customer behaviour - when available - may impact this practice (starting with a high bid may be risky with some customers). A defined “walk away” rate (the lowest possible rate acceptable by the hotel) established in advance by the property will guarantee that the offer does not dip below a profitable threshold and ensures that the sales team knows how low they can possibly go. The practice of limiting concessions to a fixed percentage of total profitability helps negotiated items to remain aligned with hotel goals.
Revision / Execution

“Finessing the sale.”

Negotiate

Sales teams should know exactly which revision requests justify a contract change for the hotel. Some hotels may assign a percentage change (e.g., total block changes by more than 5%, or length of stay is reduced or increased), while others may prefer to document all changes. If broad changes are requested, sales teams would be well-advised to analyse the scope of revision impact by re-evaluating the lead, taking a fresh look at:

- Room block increase / decrease
- Date shift
- Increased space needs
- Room rate adjustment

Execute

Once the contract is revised and approved, meeting space names and catering specifics can be defined and documented. Regular interactions with the meeting planner will enhance execution and keep the team apprised of any change requests that impact orchestration, revenues or profitability. All of these interactions should be documented in a database for a thorough view of the meeting’s history for future planning, negotiations and prospecting.
“Hindsight can improve processes.”

Post-Mortem

The most successful sales organisations hold post-mortem reviews. High-performing teams evaluate the lead process from capture to close to discuss and document what they could have done better. Hotels can borrow this tactic for MICE meetings to improve upon sales and marketing processes.

Items typically covered in an effective post-mortem discussion include:

- Was the customer a good fit? Why/Why not?
- Did we do a good job documenting and scoring the lead through the process?
- Was the space allocation the best fit for the event? Did we have over- or under-allocated space that could have been planned better? What could have been done differently to better allocate space?
- Were the right guest and meeting space rooms (number, size and type) assigned based on the agenda?
- Was F&B the best fit? Were the right set-ups assigned for the agenda, with the least amount of change?
- Did we have the right ancillary services assigned?
- Did we price the meeting space accurately? How could we have better priced it?
- Did we miss any business as a result of this events? How could we have accommodated more events?
- Did we make a profit? How much? How could we have increased profits?
- Is this a group we should pursue for future opportunities and how? How can we use our experience to attract similar business?
- Did we follow all the best practices?
Looking back helps forward strategy

Teams and hotel management will benefit from establishing and following standard reporting procedures that reflect both individual and aggregate MICE results in profit calculation. This assessment can inform revenue optimisation practices, lead management process improvement and future strategy planning. Best practices in reporting track:

• Actual vs. target revenue & profit
• Revenues, profits and occupancy for rooms & meeting space
• Catering revenues & profitability
• Pace re: rooms & catering
• Current performance vs. past performance
• Individual sales performance
Conclusion

Best practices in hotel MICE sales can guide event venues in creating efficiencies through process improvements that enhance performance, revenue, and profit generation. Processes and technologies can facilitate that evolution to benefit both event venues and the meetings they hold. By actively adopting some or all of these practices, hotels will be better equipped to drive performance results.

Endnotes:
1 Business Visits & Events Partnerships 2014 report
2 STR 2014 Data Conference, Nashville, TN.