The pitches are successful, the diaries are filling up for 2016 and the bubbly is pretty much on ice.

C&IT’s annual State of the Industry report reveals that the cautious optimism that has dominated the last two years has finally subsided, as agencies and clients report a strong upturn in their events. Confidence is at its most recent high and justifiably so – event-based turnover for the top five agencies in 2014 is up 37% against the big five’s results in 2009.

Further signs of positivity can be witnessed in both the growth of lead times, bucking the trend of previous years, and the level of enquiries coming in for 2016 and beyond. This, coupled with the majority of agencies and brands looking to boost headcount in 2015, points to a highly competitive year ahead. Check out the top 20 agency profiles for the ultimate in competitor benchmarking.

And of course, with a positive outlook comes the question of investment and acquisitions – what companies might be on the cards for a takeover? Finally, with recruitment high on the agenda, the war for talent intensifies, so who will end up where? Watch this space.

Yasmin Arrigo
Editor-in-chief

www.citmagazine.com/state-of-the-industry
**In numbers**

For C&IT’s annual State of the Industry Report, we surveyed and carried out in-depth interviews with more than 200 UK-based corporates and agencies about their event activity in 2014, general trends and challenges and the outlook for 2015 and beyond. Here are some of the key stats:

- **81%** of agencies surveyed by C&IT expect growth in turnover, profits or both in 2015.
- **38%** of corporate event planners expect their budgets to remain static/flat in 2015, while 34% expect to see an increase.
- **59%** of corporates expect an increase in the number of events they organise in 2015.
- **88%** of agencies surveyed said London was the UK city they used most for events in 2014.
- **85%** of corporates surveyed do not run an incentive travel programme.
- **20%** of agencies surveyed described talent/recruitment as the top challenge facing their business in 2015.
- **35%** of corporates say their biggest internal barrier to holding events is budget.
- **51%** of corporates surveyed say they are using event apps in 2015.
- **73%** of agencies took part in more pitches in 2014, compared to the previous year.
- **75%** of agencies declined at least one pitch in 2014 (with some declining up to 200 pitches).
- **86%** of agencies increased their staff headcount in 2014, and 84% expect to do so in 2015.
- **15%** of agencies named the US as their most popular overseas destination in 2014, with Miami, Boston, San Francisco and Las Vegas among the most popular.
- **24%** of clients said they are not looking to invest in new technology in 2015.
- **25%** of agencies say they have witnessed an increase in incentives this year, while 15% have seen growth in roadshows and 13% cite a rise in the number of exhibitions.
- **58%** of agencies are members of EVCOM. HBAA has the second-highest membership with 11%.
Solid foundations

An air of optimism, rather than wild excitement, pervades the industry – but that is something to build on

The UK events industry may not be collectively popping champagne corks just yet, but the bubbly is on ice. Confidence is at its highest in years, and personal leanings aside, most agree the newly elected Tory government is a positive result from a business perspective. It’s been a rough ride, but top-line stats from C&IT’s State of the Industry Report 2015 make for a reassuring read. Business was good for the majority of event agencies in 2014, and that growth curve looks set to continue its slow but steady upward trajectory throughout 2015 and into 2016.

For our annual report, C&IT surveyed and interviewed more than 200 UK-based event agencies and corporate planners about their event activity in 2014, general trends, challenges and outlook. Of the 87 agencies surveyed, 81% said that they expect growth in turnover, profits or both in 2015, which, while down a little on the 92% that predicted financial growth in our survey last year, is heartening. And even more promising, of the minority that said profits would remain flat or decrease this year, many said it was due to increased investment in their business.

Agencies are feeling confident enough to invest in building their businesses again, spending on new staff, technologies, resources and training, with budget cuts, event cancellations and redundancies hopefully a thing of the past. The majority of agencies (86%) said they increased headcount in 2014, and 84% expect to take on new staff in 2015. Rapiergroup managing director Helen Seaman says: “We expect gross profit to be up in 2015, but any operating profit will be reinvested into the business, resources and staff training.”

Jason Megson, managing director, George P Johnson, is also feeling upbeat about 2015. “We will see an uptick in business for the UK office and certainly the election result was a positive thing for the events industry,” he says. But there are ongoing challenges, and that air of cautiousness that has been ever present since the financial crisis remains, despite relative stability in the UK economy. “Worries about Greece and the Eurozone are ongoing,” continues Megson. “There is still financial risk in the UK and any problems in Europe will have an effect here.”

“

We will see an uptick in business... and certainly the election result was a positive thing

Jason Megson, MD, George P. Johnson
The market also remains highly competitive, with agencies pitching furiously to win new business – more than two-thirds (73%) said the number of pitches they took part in increased in 2014, compared with 2013, with the actual number of pitches ranging from two to 500-plus. For the first time, we also asked agencies if they declined to take part in any pitches in 2014, and three-quarters (75%) said they had, with the number of pitches declined ranging from one to 200-plus.

“The landscape in the past year has been more competitive and we have also found that a number of pitches we attended have been procurement driven. They seem to have been testing existing agencies with the pitches as a cost exercise rather than a desire for creativity or new thinking,” says Megson. But, increased pitching opportunities have helped many agencies win new business. “One of the biggest achievements for the agency in 2015 is that we have achieved more than £2m of fee revenue through new business, globally,” says Luke Flett, head of marketing at Ashfield Meetings & Events.

But what of those all-important client budgets – are they finally on the increase? “For the majority of activity we are delivering in 2015, budgets have remained consistent with 2014,” says Flett. “While we are seeing a number of budget increases for 2016, it is not consistent across the board. The increased optimism in the economy does not necessarily reflect clients’ situations, budgets, challenges or priorities.” Of the 115 corporate event planners surveyed, 41% said their events budget increased in 2014, compared with 2013. When asked about 2015, 34% said they expect budgets to increase this year, with 38% expecting budgets to remain at 2014 levels, and 26% saying that budgets have yet to be decided.

“Budgets have been put under central restrictions and we don’t know at this stage how much we will have. We’re having to do more with less,” says Marissa Irons, executive assistant, events and project management at Experian Cross Channel Marketing UK. Doing more with the same or less budget or resources seems to be a common theme among corporate planners across all industry sectors. Despite only a third expecting budgets to increase in 2015, more than half (59%) say they expect an increase in the number of events they organise in 2015. And just over a third (35%) say their biggest internal barrier to holding events is budget.

Financial services company Tenet Group’s event manager Amanda Ford says: “I project that our programme and spend will look very similar next year to this year – budgets are static but in a good way. Internally, for Tenet staff we’ve increased the staff events to one per quarter, in line with new quarterly awards that we’ve introduced. We previously had an awards ceremony at our annual staff conference in December.” Amanda Quinn, event manager at medical equipment manufacturer Stryker, says her budgets also remain static year-on-year, but she is one of the lucky few who has been able to increase internal headcount. “We have gone from one to three people in the events team since January this year,” she says. Overall, just a quarter (25%) of corporates are expecting to increase their headcount in 2015.

Looking ahead to 2016, early indicators are that the growth in 2015 will continue. “Our order book is looking busy for 2016, and in terms of confirmed business, we are in a similar position now to where we were at the same time last year,” says Patrick Howells, managing director, The Fresh Group. Absolute Corporate Events managing director Chris Parnham agrees that the forecast is rosy: “Our pipeline is substantially bigger than it ever was, and there is certainly more in it than if I were to compare it with the same time last year. I’m looking at events in 2016, 2017 and 2018. I can’t remember the last time I was thinking about events as far as three years out, and the fact that I recently took a brief for 2018 is very encouraging.”
### The top 50 UK agencies ranked by their event-based turnover in 2014

<table>
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<tr>
<th>Rank</th>
<th>Agency</th>
<th>T/O 2014 £m</th>
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<th>Pre-Tax Profit 2014 £m</th>
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**KEY:** C&IT forecast, Automotive, Construction, Food/drink, Electronics, Financial services, Government/public sector, Consumer goods, IT, Charity, Transport, Legal, Manufacturing, Aerospace, Energy, Pharmaceutical, Retail, Sport, Telecoms, Travel, Associations/professional services
The agency landscape

An overview of how agencies are shaping up, following major developments in 2014

Last year (2014) was significant in UK event agency land, with the shock demise of pharmaceutical specialist W&O and Nigel Cooper buying Zibrant from Motivcom, which was in turn sold to Sodexo Motivation Solutions UK (SMSUK). Other noteworthy acquisitions and partnerships include Smyle picking up Pumphouse Productions in April and Touch Associates buying James Digital and investing in DBMT. Yet despite this shake-up, C&IT’s annual Top 50 agencies ranking, which ranks agencies by their event-based turnover, has not changed dramatically.

There was no change to the top four: Zibrant retains the number one spot, which was previously held by Motivcom, followed by Ashfield Meetings & Events in second, Jack Morton Worldwide in third and George P Johnson in fourth.

One of this year’s high climbers, Banks Sadler, takes fifth spot, up from 11th last year. Head of event solutions Mark Scales says the agency’s growth in 2014 was predominantly from existing clients. “We’ve brought on 24% or so of new business, which is great, but many of our existing clients have expanded to take on new services, for example from just venue-finding to full event management,” he explains.

The Top 50 UK agencies table is ranked by event-based turnover in 2014 (agencies that do not report in December have been asked to provide an estimate for the calendar year).

There was a bit more shuffling around in the top ten, with BCD Meetings & Incentives rising to sixth from tenth, followed by Capita Travel & Events in seventh and WRG in eighth, both dropping one spot from last year. TRO comes in at ninth spot, down from fifth, and CWT Meetings & Events completes the top ten in final place, falling from eighth.

Elsewhere in the top 20, there are three new entries: Chillisauce in at 13, and The Black Tomato Agency and Touch, which came in at 19 and 20 respectively. Meanwhile, ATP Event Experts jumped from 23rd to 15th place. In terms of the key agency trends, most agencies continue to upsize – 86% expanded their headcount in 2014 and 84% expect to expand further in 2015 – resulting in a talent gap as companies struggle to find the right people to fill an increasing number of vacancies, particularly at senior level.

As well as investing in staff, there has been an increase in investment in new branding, be it a complete rebrand – such as Universal World Events becoming Ashfield Meetings & Events last year and Logistik becoming Vista – or a subtle identity refresh. Touch, Worldspan, The Appointment Group, Paragon and Inntel are among those who have refreshed their brands.

The growing trend towards globalisation continues, with a number of agencies expanding to new shores. This year, Noble Events opened an office in Dubai – its first outside the UK – following in the footsteps of Imagination and Sledge, which have both expanded into the emirate state. Banks Sadler opened a China office in Shanghai in February, while Ashfield Meetings & Events opened its third US office, in California, and WRG opened a branch in Basel, Switzerland to target pharmaceutical clients.

However, recent news that WRG was scaling back in the Middle East and closing its Qatar office in April serves as a reminder as to how difficult it can be establishing a presence overseas. “We launched in Qatar in 2008 and Abu Dhabi in 2011. We have established ourselves well in the Middle East and have a long heritage there,” says WRG chief executive David Sharrock. “But the Middle East market is quite a different place to do business in compared with the UK. We’re still serving the region but with more emphasis on our core sectors.”
Top 20 agency profiles

An at-a-glance summary of the major players’ stats and company information

1. ZIBRANT
   - Position in last year’s table: Former parent company Motivcom ranked 1st in 2014
   - Key clients: include Three, Redken, BMW
   - 2014 UK event-based turnover: £70m
   - 2014 UK total turnover: £70m
   - 2014 UK pre-tax profit: £450,000
   - Motivcom 2014 UK event-based turnover: £80m
   - Motivcom 2014 UK total turnover: £250m
   - Key industry sectors: include automotive, food & drink, financial services, pharmaceutical, IT and telecoms
   - Event specialisms: Conferences (18%), incentives (21%), meetings (15%), product launches (13%), Training (8%)
   - Size (UK staff number): 160
   - UK location: Milton Keynes, Derby, Faversham, Godalming
   - Management team: Nigel Cooper, chairman and owner; Fay Sharpe, managing director

2. ASHFIELD MEETINGS & EVENTS
   - Position in last year’s table: 2
   - Key clients: include Bayer, Astellas Europe, Amadeus
   - 2014 UK event-based turnover: £69.5m
   - 2014 UK total turnover: £69.5m
   - 2014 EBIT: £3.08m
   - 2013 UK event-based turnover: £61.8m
   - 2013 UK total turnover: £61.8m
   - Key industry sectors: Pharmaceutical (79%), Automotive (15%), Financial (6%)
   - Event specialisms: Meetings (18%), Congresses (18%), Conferences (20%) Incentives (6%), Training (16%), Product launches (5%), Exhibitions (6%)
   - Size: 212
   - Management team: Nicola Burns, group managing director
   - UK location: Ashby de la Zouch, Macclesfield, Leeds
   - Overseas offices: US (Pennsylvania, Indianapolis, San Bruno), Germany, Italy

3. JACK MORTON WORLDWIDE
   - Position in last year’s table: 3
   - Key clients: include Ericsson, Cannes Lions
   - 2014 UK event-based turnover: £55m (C&IT forecast)
   - 2014 UK total turnover: £55m (C&IT forecast)
   - 2013 UK event-based turnover: £55m (C&IT forecast)
   - 2013 UK total turnover: £55m (C&IT forecast)
   - Key industry sectors: include telecoms, automotive, consumer goods, government & public sector, PR and information services
   - Event specialisms: Conferences, congresses, exhibitions, product launches, consumer activations and sponsorship
   - Size (UK staff): 82
   - UK Location: London
   - Overseas offices: US, Sao Paulo, Melbourne, Hong Kong, China, Seoul, Shanghai, Singapore, Sydney, Dubai, Dusseldorf, Munich

4. GEORGE P JOHNSON
   - Position in last year’s table: 4
   - Key clients: include Cisco and IBM
   - 2014 UK event-based turnover: £49m
   - 2014 UK total turnover: £49m
   - 2013 UK event-based turnover: £48m
   - 2013 UK total turnover: £48m
   - Key industry sectors: include IT, automotive, telecoms, financial services and pharmaceutical
   - Event specialisms: include conferences, congresses, exhibitions, meetings, product launches, roadshows
   - Size (UK staff): 86
   - UK Location: Kingston, Surrey
   - Management team: Jason Megson, UK managing director
   - Overseas offices: 28 offices globally including Germany, US, Australia, India, Hong Kong, Shanghai, Taipei, Beijing and San Francisco

5. BANKS SADLER
   - Position in last year’s table: 11
   - Key clients: include JLL, Santander
   - 2014 UK event-based turnover: £33.03m
   - 2014 UK total turnover: £40.08m
   - 2013 UK event-based turnover: £20.42m
   - 2013 UK total turnover: £30.81m
   - Key industry sectors: include pharmaceutical, manufacturing, IT, financial services, retail
   - Event specialisms: Meetings, conferences, incentives, roadshows, product launches
   - Size (UK staff): 163
   - UK locations: London, Windsor and York
   - Overseas offices: Paris, Dusseldorf, New York, Shanghai
   - Management team: Leigh Jagger, chief executive

6. BCD MEETINGS & INCENTIVES
   - Position in last year’s table: 10
   - Key clients: include Dupont and Pfizer
   - 2014 UK event-based turnover: £33m
   - 2014 UK total turnover: £23m
   - 2013 event-based turnover: £20.9m
   - 2013 total turnover: £20.9m
   - Key industry sectors: include IT, financial services, pharmaceutical professional services
   - Event specialisms: include meetings, conferences, congresses, exhibitions, incentives, corporate hospitality, roadshows, training
   - Size (UK staff): 66
   - UK Locations: Maidenhead, Berkshire
   - Overseas offices: in 40 countries with global HQ in Chicago, and regional HQs in Singapore and Mexico City
7  CAPITA TRAVEL & EVENTS
Position in last year’s table: 6
Key clients: include NHS, SSE, BP, SAS
2014 UK event-based turnover: £32.9m
2014 UK total turnover: £56.8m
2013 UK event-based turnover: £31.3m
2013 UK total turnover: £54.2m
Key industry sectors: include financial services, retail, energy, government/public sector
Event specialisms: include meetings, conferences, venue sourcing
Size (UK staff): 852
UK Locations: London, Cheadle, Derby, Swindon, Taunton
Overseas offices: Paris

8  WRG CREATIVE COMMUNICATION
Position in last year’s table: 7
Key clients: include Shell, Adidas, Clarks, EE, Jaguar, Jack Daniel’s
2014 UK event-based turnover: £31.3m
2014 UK total turnover: £34.5m
2013 UK event-based turnover: £28.2m
2013 UK total turnover: £30.7m
Key industry sectors: include financial services, IT, pharmaceutical, telecoms
Event specialisms: include meetings, product launches, corporate hospitality, conferences, awards
Size: 135
Management team: David Sharrock, CEO; Carl Hallday, deputy managing director
UK location: Manchester, London
Overseas offices: Basel, Abu Dhabi, Hong Kong, Philadelphia, Shanghai

9  TRO
Position in last year’s table: 5
Key clients: include Nike, Mini, Guinness, Volvo, Nissan
2014 UK event-based turnover: £31.1m
2014 UK total turnover: £31.1m
2013 UK event-based turnover: £32.8m
2013 UK total turnover: £32.2m
Key industry sectors: include automotive, food and drink, retail, energy, IT, electronics
Event specialisms: include conferences, congresses, corporate hospitality, exhibitions, product launches, roadshows, brand experience events, training
Size (UK staff): 250
Management team: Keith O’Loughlin (Worldwide); Michael Wyrley-Birch (EMEA)
UK Locations: London, Manchester, Norwich
Overseas offices: Amsterdam, Barcelona, Bangkok, Frankfurt, Hong Kong, Melbourne, New Delhi, Paris, Shanghai, Singapore, Sydney

10  CWT MEETINGS & EVENTS
Position in last year’s table: 8
Key clients: include Ricoh, Pfizer and Lilly
2014 UK event-based turnover: £27.1m
2014 UK total turnover: £1.92bn
2013 UK event-based turnover: £27.6m
2013 UK total turnover: £1.16bn
Key industry sectors: include pharmaceutical, financial services, government/public sector, telecoms, energy, IT
Event specialisms: Conferences, meetings, incentives, awards, corporate hospitality
Size (UK staff): 72
Management: Ian Cummings, managing director at CWT Meetings & Events UK & Ireland
UK Locations: London, Birmingham, Dublin, Warrington
Overseas offices: 74 countries worldwide including France, Spain, Italy, Australia, Singapore, India, China, USA, Brazil, Mexico

11  GRASS ROOTS MEETINGS & EVENTS
Position in last year’s table: 9
Key clients: include Ford, Barclays, BMW
2014 UK event-based turnover: £22.7m
2014 UK total turnover: £26.2m
2013 event-based turnover: £26m
2013 total turnover: £260m (Grass Roots Group)
Key industry sectors: include financial, pharmaceutical, automotive, IT
Event specialisms: Conferences, meetings, product launches, training, corporate hospitality, awards
Size (UK staff): 184
Management team: Richard Bandell, Grass Roots CEO; Des McLaughlin, divisional director of Grass Roots Meetings & Events; Giselle Ripken, director of meetings and events
UK location: London, Fleet, Marlow
Overseas offices: Madrid, Dusseldorf, Zurich, Singapore, New York

12  CHILLISAUCE
Position in last year’s table: New entry
Key clients: include Channel 4, Bupa, Cadbury, Google, Nike, Sony
2014 UK event-based turnover: £17m
2014 UK total turnover: £17m
Key industry sectors: Financial services (34%), manufacturing (16%), IT (14%), Retail (12%), pharmaceutical (7%), telecoms (6%), food, drink, tobacco (5%), electronics (2%), government/public sector (2%), automotive (2%)
Event specialisms: Teambuilding (27%), incentives (17%), corporate hospitality (15%), meetings (14%), christmas parties (10%), receptions (9%), conferences (8%)
UK location: London
Staff: 95
Management team: James Baddilly, CEO & founder; James Diment, head of projects & operations
13 THE FRESH GROUP
Position in last year’s table: 15
Key clients: Co-operative Group, M&S, Dixons Carphone, Carlson
UK Locations:
- Ware, Towcester
- London, Manchester, Lowestoft, Burnley, Aberdeen
- Hong Kong, Mumbai
2013 event-based turnover: £15.5m
2014 total turnover: £15.9m
2013 event-based turnover: £11.2m
2014 total turnover: £14.4m
Key industry sectors: include retail, government/public sector and financial services
Event specialisms: Conferences, exhibitions, meetings, gala dinners, awards, road shows, teambuilding
Size (UK staff): 100
UK Locations: Cheadle, Heaton Mersey
Management team: Helen Seaman, managing director

14 VISTA (FORMERLY LOGISTIK)
Position in last year’s table: 12
Key clients: include Lloyds Banking Group, M&S, KPMG
UK Locations:
- London
- UK location:
2014 UK total turnover: £16.8m
2013 UK event-based turnover: £15.38m
2013 total turnover: £20.13m
Key industry sectors: Retail, financial services, telecoms
Event specialisms: Conferences, exhibitions, awards, meetings and roadshows
Size (UK staff): 98
UK Locations: London and Leeds

15 ATP EVENT EXPERTS
Position in last year’s table: 23
Key clients: include Staples, Heineken, KPN, Rugby World Cup 2015
2014 UK event-based turnover: £14.2m
2012 UK total turnover: £350m
2013 event-based turnover: £8m
2013 total turnover: £820m
Key industry sectors: include construction, energy, financial services, IT, pharma, retail
Event specialisms: include conferences, incentives, meetings, training, corporate hospitality
Size (UK staff): 26 (events only)
UK Locations: London, Manchester, Lowestoft, Burnley, Aberdeen
Overseas Locations: Specialist event operations in Amsterdam, Paris, Hong Kong, Mumbai

16 RAPIERGROUP
Position in last year’s table: 17
Key clients: include Renault, SWIFT, Astellas
2014 UK event-based turnover: £14.1m
2014 UK total turnover: £14.1m
2013 event-based turnover: £10m
2013 total turnover: £10m
Key industry sectors: include automotive, financial services, pharmaceutical, manufacturing, charity, Associations/professional services
Event specialisms: Conferences, exhibitions, meetings
Size (UK staff): 55
UK Locations: Ware, Towcester
Management team: Helen Seaman, managing director

17 CI EVENTS
Position in last year’s table: 14
Key clients: Dixons, Thompson Reuters, Hays, Home Retail Group
2014 UK event-based turnover: £14.1m
2014 UK total turnover: £14m
Key industry sectors: Pharmaceutical (35%), IT (20%), financial services (15%), automotive (15%), food, drink, tobacco (10%), electronics (5%)
Event specialisms: Meetings (30%), incentives (30%), conferences (20%), awards/gala dinners (10%), Christmas parties (10%)
UK location: London, Birmingham
Staff: 30
Management team: Lucy Francis, general manager

18 DRP
Position in last year’s table: 13
Key clients: Sainsbury’s, Chiltern Railways, Triumph Motorcycles
2014 UK event-based turnover: £13.2m
2014 UK total turnover: £14.5m
Key industry sectors: Retail (24%), financial services (21%), automotive (17%), manufacturing (16%), government/public sector (8%), electronics (7%), food, drink, tobacco (5%), IT (3%)
Event specialisms: Conferences (24%), roadshows (12%), product launches (9%), teambuilding (8%), gala dinners (8%), awards (7%), exhibitions (7%), meetings (6%), receptions (6%), training (5%), Christmas parties (5%), incentives (3%)
UK location: Hartlebury, London, Leeds
Staff: 187
Management team: Dale Parmenter, group CEO; Richard Hingley, group creative director

19 THE BLACK TOMATO AGENCY
Position in last year’s table: New entry
Key clients: include Johnnie Walker, BMW
2014 UK event-based turnover: £13.1m
2014 UK total turnover: £13.1m
Key industry sectors: Automotive (35%), financial services (20%), estate agencies (20%), telecoms (15%), food, drink, tobacco (10%)
Event specialisms: Incentives (90%), conferences (10%)
UK location: London
Staff: 18
Management team: Elliott Grant, business director; Matt Smith, executive director; Chetan Shah, head of operations

20 TOUCH
Position in last year’s table: New entry
Key clients: include Amadeus, Allergen
2014 UK event-based turnover: £12.57m
2014 UK total turnover: £12.57m
Key industry sectors: Pharmaceutical (15%), food, drink, tobacco (15%), financial services (10%), IT (10%)
Event specialisms: Conferences (45%), congresses (25%), meetings (15%), incentives (5%), roadshows (5%), gala dinners (5%)
UK location: Leatherhead
Staff: 55
Management team: Nick Bender, director
TALENT & RECRUITMENT
With the industry growing at a steady pace, it’s no surprise that talent has become the top challenge facing event agencies in 2015. A fifth (20%) of those surveyed stated that finding and recruiting talented people is their main challenge, up from 15% last year. Smyle, Pure Events, Vista, drp and Adding Value are among the agencies finding recruitment difficult. Will Sutton, commercial and operations director at Vista, says: “We’re finding that the pool is shrinking somewhat.”

He believes one reason for this is a strong freelance market. “I think the talent dearth is probably when you get to a certain level of seniority, because by that point people might have become very specialised in one area, or are at that point in their career when they could go freelance because they’ve built skills and contacts over the years.”

Tina Morris, managing director of Adding Value, says it’s more than just finding talented people, but finding the right people. “We’ve had some recruits who we believed would be the right choice, and sadly, for whatever reason, that hasn’t been the case. It’s about finding the right people who have the same mindset, the same work ethic, and the right skill set,” she says.

It’s about finding the right people, with the same work ethic and the right skill set

Tina Morris, managing director, Adding Value

MANAGING GROWTH, MAINTAINING Profits
The outlook for the sector is hugely positive, with 81% of agencies predicting growth in revenue and/or profits in 2015. And with the landscape so competitive and procurement departments shopping around for the best price – maintaining growth is a top challenge for 17% of agencies (down from 29% last year).

Giselle Ripken, director, Grass Roots Meetings & Events, says: “Once you’ve come out of a successful year you really want it again, so maintaining growth is a challenge. With the election year, there has been a lot more nervousness around some of the RFPs perhaps not coming up as quickly, so it’ll be interesting to see if, now that we’re through the election, that comes back up again. I think people have been waiting to see what happens before they commit money, certainly for June and beyond.”

Managing growth, maintaining profits

PITCHING
More than two-thirds of agencies (73%) said the number of pitches they took part in increased in 2014, compared with 2013, with the actual number of pitches ranging from two to 500-plus. While pitching can lead to new business opportunities, it’s a huge cost financially to agencies and puts pressure on resources, leading 5% of agencies to count it among their top challenges, and 75% saying they’d declined pitches in 2014.

TRO says the biggest challenge facing the business is the increasing volume and cost of pitching, while George P Johnson’s managing director Jason Megson believes many of the pitches taking place have been procurement driven. “They seem to have been testing existing agencies with the pitches as a cost exercise rather than a desire for creativity or new thinking,” he says.
Top 5 corporate challenges

Amadeus, Volkswagen, Heineken, Experian and Tenet Group on why budgets, resources, innovation, ROI and increasing delegate numbers and revenues are the top challenges facing corporate event planners

1 BUDGETS
This year’s survey of more than 100 corporate event planners revealed budget remains their biggest challenge. More than a fifth (22%) of respondents, which included brands such as Colgate-Palmolive, Barclays, Molson Coors, Sony Mobile and Centrica, described budgets as their biggest challenge, while a third (35%) said budget is also the biggest internal barrier to holding events.

Amanda Hoffmeister, head of group events management at Amadeus, says: “Ever-decreasing budget and the greater need for negotiation on the part of the agencies are the wider challenges. From a venue perspective people really just want the best deals that they can possibly get, and I think the venues are being squeezed harder and harder. And I can see that trend continuing.”

2 RESOURCES
A key theme among corporate event planners is that they are being expected to do more with less, with 13% of respondents saying resources are their biggest challenge. Events are expected to be bigger and better than ever before, and many brands are seeing both event and delegate numbers increase, but the size of internal events teams aren’t growing, and neither are the budgets.

“There’s no increase in resources – we have fewer people and more demands on our time,” explains Suzanne Kinross, sponsorship and PR executive for Heineken UK.

3 INCREASING DELEGATES AND/OR REVENUE
Many corporates are looking to grow the number of delegates at their events, and revenue at the same time, with 10% citing increasing delegates and/or revenue to be the biggest challenge.

“Bums on seats is a high priority for our sponsors; they want to see as many advisers as possible,” says Amanda Ford, event manager at Tenet Group.

4 ROI
As ever, ROI came up as one of the top issues, with 5% of corporates stating that proving the value of events is their top challenge.

Jason Hill, events and internal communications manager at Volkswagen Commercial Vehicles, says: “Measuring ROI is a challenge. I think my biggest frustration is that nobody seems to have nailed that yet, it’s the golden goose. If an agency could come along with some kind of app or system that allowed you to take an event you’re trying to deliver and predict what your results would be, I think that could be incredibly powerful.”

5 INNOVATION
Corporate event planners always want their events to be better than ever before, and 5% cited making events more creative and engaging, and finding new innovative venues and destinations, as the top challenge.

Executive assistant, events manager and project manager at Experian, Marissa Irons, says: “In terms of locations, trying to find somewhere we’ve not been to before and that’s different to where all our office locations are is a challenge. I’ve been doing a few fam trips recently to try to find somewhere sufficiently new or exciting. There is also a need to be more creative in how we approach events – I want to come up with something that my boss would never even think of.”

38% of corporate event planners expect their budgets to remain static/flat in 2015
All signs point to a successful year for the UK events industry. The good news is that it’s growing – 86% of agencies expanded their headcounts in 2014, and 84% expect to do so in 2015. The bad news is that this has highlighted a rising talent gap, with agencies finding recruitment, particularly at senior level, increasingly problematic.

As stated on page 11, talent/recruitment has in fact grown to become the top challenge for agencies, with a fifth (20%) of those surveyed describing it as the top challenge facing their business in 2015, up from 15% in 2014.

Also, when they were asked if recruiting/retaining senior talent was more difficult at the moment than in previous years, more than a third (37%) said yes, with a mere 18% saying no and the rest saying it is the same as before. However, many pointed out that recruiting and retaining talent are different challenges, and that retaining talented staff has not been as difficult as finding new recruits.

SHRINKING TALENT POOL
Agencies believe there are a number of reasons behind the dearth of talent, the first being an after-effect of the downturn, which leads to redundancies and too many people for too few jobs, forcing many to turn to freelance work or leave the industry altogether. Now, the situation has reversed, with too few people for the jobs available in expanding companies.

Giselle Ripken, director of meetings and events at Grass Roots, explains: “A number of agencies are doing better at the moment and have expanded their business. This means the pool of talent isn’t as extensive as the availability of jobs.

“I think we’re also still slightly suffering from when we had the downturn, where a lot of people went out of the industry and did something different, or chose to go freelance. There’s always a lag when the industry picks up again to bringing the talent levels back up. I think the lack of talent at the moment is a compounded effect of the current success and the downturn before.”

Finding people with the right skills to meet the growing number of vacancies in the UK events sector is the biggest challenge for agencies
Dale Parmenter, group CEO of drp, agrees and believes that the recession diverted attention away from focusing on talent as businesses focused on battling the bigger challenges on slashed budgets, perception issues and event cancellations. “I think as an industry we haven’t been great at keeping new talent at the forefront throughout the recession, we probably ignored that a little bit. This means that finding the right talent can now be a challenge,” he says.

CHANGING SKILL SETS
Some agencies argue that the talent gap is partly due to individual event professionals’ own lack of talent, problems with their training or from having too narrow a focus on one area of a vast industry.

Rick Stainton, managing director of Smyle, says: “It’s very difficult to find really good, multi-disciplined, multi-sector experience or talent out there at the moment. Candidates have either worked in one sector so they don’t really understand any other sector, or they are not particularly commercial, or they are very reliant on delegation rather than getting their hands dirty. We have a variety of different genres we work in, and a variety of sectors, and we need people with versatility.

“Traditionally in the events industry, agencies were focused on one or two key sectors, and one or two key industries. That has changed now for a lot of them. There’s also been a rise in technological and digital overlap, so roles that were typically separated and didn’t talk a lot are now combined. It’s quite rare to find someone who can cover the separate disciplines. There’s also a variation in quality across the industry anyway and people coming from the client side don’t really understand how to work in an agency, are naive to the intensity, pace, variety and lack of formal structure.”

COMPANY CULTURE
But it’s not just about experience and skills – finding someone who fits in well with the company culture and existing ethos is just as important and equally as challenging.

Charlotte Wilson, managing director of Pure Events, says: “We have a specific brand image and everyone in my office reflects that. It isn’t easy to find someone who is motivated and excited and driven by what they do, and our staff have to be committed to driving the business forward and the variety of the events we do.

“When recruiting I concentrate on the synergy of the person sitting in front of me, looking at whether they match the brand, whether they have good experience, whether they appear to have a good head on their shoulders and have common sense – and whether they’re meticulous.”

86% of agencies increased their staff headcount in 2014

Many agencies agree that the best way to get talent in their businesses is to grow it themselves, starting at a junior level and advancing employees through the ranks. This means a good training scheme and making sure employees are well informed on ways to advance was essential.

Helen Seaman, group managing director at Rapiergroup, says: “There is a big gap in the middle tier for event professionals and we’ve decided to change our business structure to address this. We are now focusing very heavily on training, and trying to fast-track rising stars in the agency, to get them to the level we want quicker.”

Luke Flett, head of marketing at Ashfield Meetings & Events, agrees: “We need to continually update and refresh our training programmes to reflect the changing environments in which we operate. This presents a challenge in itself but we have always invested heavily in developing our staff. We have a flexible training programme that can adapt quickly to change, and we have taken on additional staff in our training team this year to facilitate the programme development and will continue to look at innovative and collaborative ways to develop engaging training that delivers results.”

Happy employees are more likely to stay, and reward schemes and bonuses were also highlighted as important. Patrick Howells, managing director at the Fresh Group, explains: “Retaining our team by ensuring we have an enthusiastic, engaged and communicative workforce is one way we overcome the challenge of recruitment, as well as our Recommend a Friend incentive where the team receive a bonus for recommending a new team member.”
Finally, a thawing of frosty relations

The issue of procurement has long been a source of friction, and this year is no different. But there are hopeful signs of a general entente that could signal a new era of co-operation

It’s rare for a conversation about challenges facing the events sector not to feature the thorny issue of procurement. It came up again in this year’s State of the Industry Report, with eight per cent of agencies surveyed citing it as the top challenge facing their business, and many more listing it among their key issues, making it the third-biggest challenge for agencies in 2015, on par with 2014.

In last year’s report, corporate procurement departments were blamed for everything from the huge increase in the number of pitches to playing hardball on costs and enforcing unfair payment terms on agencies. So, 12 months on, has the situation improved?

The number of pitches taking place continues to rise, with more than two-thirds (73%) of agencies saying the number they took part in increased in 2014 compared with 2013, while three-quarters (75%) said they declined pitches last year.

Jason Megson, managing director at George P. Johnson, says that the agency pitched a lot in 2014 but didn’t win much. “We put this down to the fact that the landscape in the past year has been more competitive and we have also found that many of the pitches we attended have been procurement driven. They seem to have been testing existing agencies with the pitches as a cost exercise rather than a desire for creativity or new thinking,” he explains.

Another criticism of procurement departments is that they fail to share the necessary information for agencies to properly respond to an RFP. Top Banana managing director Nick Terry says: “We started a tender process for a multinational company but pulled out because we couldn’t understand how we would make money out of it. We had no dialogue with anyone other than procurement, we didn’t know the event budget or what events they typically did.

“Witholding information

Face-to-face, open and candid communication, where people roll up their sleeves and invite dialogue, is the way forward

Nick Terry, managing director, Top Banana

Agencies’ biggest beef with procurement departments is that they don’t understand events business. Mark Scales, head of event solutions at Banks Sadler, says: “My concern is where you’re looking at commodities, venue finding, travel, tech to some extent, it kind of fits, but when you’re looking at services, event management, creatives etc, it gets difficult to start using a commodity-based model for a service. Because do you really want to buy the cheapest, when what you’re buying is talent?”
their sleeves and invite dialogue and have clarity and understanding of what they’re looking for, is the way forward.”

It’s not just agencies that struggle with procurement departments, but also internal event departments. BMW Group’s general manager of events Yvonne Holden says that procurement is quite a recent thing on the events side at BMW, and that it has been quite a difficult journey to “bring them onto the same page” because they were used to dealing with automotive parts rather than marketing and event services. “We feel it’s the responsibility of our agency partners to help us to educate procurement with what we want to achieve,” she adds.

BEGINNINGS OF COLLABORATION
But there are signs the tide is turning and that internal procurement departments are becoming more open and collaborative, while agencies and client event planners who work closely with them are finding things easier and seeing the value procurement can offer in return. GPJ’s Megson says: “We are sensing a shift in the procurement function – they are becoming experts at understanding agencies, looking more at what agencies can achieve rather than just viewing the bottom line. Procurement departments are becoming much more collaborative.”

Vista’s commercial and operations director Will Sutton says: “I think procurement is an interesting one because they seem to have this reputation as being bad, but I think it’s how you engage with procurement that’s the most important thing, and how you work with them rather than against them. I suppose they have a job to do and it’s a balance between what they need and making sure the end product we deliver is going to meet the stakeholders’ needs. It’s not just about price, it’s about quality.”

Guy Horner, managing director at TBA, agrees and argues that savvy agencies embrace working with procurement and don’t see them as a barrier. “If you’re well managed and transparent then it should be a collaborative relationship. The most important thing is demonstrating how to deliver value,” he explains.

And working more collaboratively with procurement functions could prove valuable to agencies as the trend seems to be a return to longer-term contracts and rosters, so rather than the same event being pitched out every year, agencies are being appointed on two- or three-year contracts. For example, dbmt was recently appointed on a two-year contract with Audi and a three-year contract with Mercedes-Benz Financial Services.

IMPROVED RELATIONS
Travel technology firm Amadeus recently underwent a global RFP, which took more than a year and resulted in the appointment of Touch and Spark Thinking (Ashfield Meetings & Events’ partner brand) on three-year global events contracts. Head of group events management Amanda Hoffmeister admits that while the process took a lot longer than expected and was a little difficult at times, it has really helped improve her team’s relationship with procurement.

“Procurement isn’t so much an issue anymore now we have gone through the agency-recruiting process. Finally, procurement realised the complexity of our side of the business, so it’s created a much tighter bond between us and them and legal and finance, and all the different departments that we need to help us manage all of these events. It’s made those ties a lot stronger.”

It also means that Hoffmeister can send a brief directly to whichever agency on her roster she feels best suits the event, without the need to send out a formal RFP each time. “It’s a great position to be in and means we can be a lot more speedy in getting briefs out without getting bogged down in big contractual processes, which can take weeks. It’s better for the agencies, too, because it saves them time and cost in pitching each time,” she says. ■

73% of agencies said the number of pitches they took part in increased in 2014 compared with 2013

The most important thing is demonstrating how to deliver value

Guy Horner, managing director, TBA
Tech it or leave it

Despite its many benefits, corporate event planners remain confused and uninspired by the vast array of event technology currently on offer

Almost a quarter (24%) of the 116 corporate event planners surveyed for the report said they are not looking to invest in new technology in 2015. And another 18% said that even as they move into the third quarter of the year, they are still unsure whether they want to or have budget to invest in technology.

“We’ve been looking for something that won’t cost a fortune to build each time and retains simplicity, but we haven’t found it yet,” says Clare Moses, head of events, personal and corporate banking at Barclays. Event planners said they value simplicity over innovation and that the highest levels of engagement among delegates are apparent when the technology is easy to use. Moses adds: “The most effective methods are often the simplest, so we need to keep technology simple for our delegates to engage with it.”

THE ONLY WAY IS APP

With this in mind, it is perhaps no surprise that the most popular area of event technology is mobile event apps, with more than half (51%) of corporate event planners saying they will be implemented into their events in 2015. George P Johnson’s executive director of experience planning, Gareth Dimelow, explains why: “Event apps are the most popular tool, because it is clear what functionality they bring to the experience and the end-user. It is clear for the event manager to understand how the event will be made better.”

A fifth (20%) of the 87 event agencies surveyed said they have also invested in mobile event apps in 2015 to meet this demand from clients, which is higher than any other area of technology, including registration systems (15%), delegate management software (15%) and digital media (5%). “We have a lot of dealings with event apps, which was a big investment for us in 2014,” says Laura Derbyshire, events and revenue director at Team Spirit.

Charlotte Wilson, managing director at Pure Events, is also well aware of this trend: “The rise in event apps and the request for them means it’s going into every single proposal.” Marissa Irons, executive assistant, events and project management at Experian Cross Channel Marketing UK, also sees the value in event apps but believes there is still more work to be done. “Event apps always spark my interest but a lot still haven’t got it right. It’s the simple, intuitive elements that are often the best but which get left out,” she says.

Wilson believes corporates are reluctant to trial new technology they don’t fully understand, and therefore favour simpler solutions, such as event apps: “Clients are terrified by the rise in technology and what it means. Many know they need to engage in it but are not sure how to and what the correct route is.”

This puts agencies in an awkward position, as not keeping up with the growth of technology could be detrimental further down the road. Derbyshire explains: “Technology is moving so fast and knowing what is going to stick around and what is just a farce is challenging, particularly when we have short lead times.”

BREAKING BOUNDARIES

Not all corporate event planners are reluctant to explore new possibilities. As companies become more global, corporates are looking to further the reach of their events and broadcast their messages beyond the venue. “We did two events recently with 200 participants at the event, and we reached out to 1,200 people who were watching from their desks,” explains Amanda Hoffmeister, head of event management at Amadeus. “This kind of technology is proving that we’re showing a difference and for the amount of money that’s being spent on it we’ve got a much vaster reach of participants.”

Moses says that using technology to increase the longevity of an event is at the top of her agenda as well. “The next challenge is how technology can help allow the content to live on after the events so we can reach the largest possible relevant audience outside the room,” she explains.

NO GIMMICKS

Even though investment in some areas of technology is looking positive, most corporates are still nervous about trialling new products – although this isn’t necessarily a negative thing, according to GPJ’s Dimelow. “Brands seem to think they need to be seen as early adopters,” he says. “If we’re pushing new technology onto clients then we’re doing everyone a disservice because if it’s not benefitting the needs of an event then it is just a gimmick.”

This supports the argument that sceptics of new technology have been proclaiming for some time now, that using new technology for the sake of it is never going to end well. Just look at what happened to Google Glass. “Agencies should help clients get more comfortable with the technology that already exists and then go from there. It must be presented as a solution,” concludes Dimelow.
What the people want

Incentives, roadshows and exhibitions are among the event types on the increase

Client events are on the increase, with more than half (54%) of the 100-plus corporate event planners surveyed for our State of the Industry Report saying they organised more events in 2014 than 2013. And that growth looks set to continue, with 59% forecasting they will deliver more events in 2015 than last year.

There has been growth across a broad spectrum of event types, but despite 85% of corporates surveyed stating that they don’t run an incentive travel programme, incentives are the area where agencies are seeing most growth. Of the 87 agencies surveyed, 25% said they had witnessed an increase in incentives, 15% saw growth in roadshows, 13% cited a rise in the number of exhibitions, while 8% had seen an increase in teambuilding and 8% in training events.

Floyd Widener, SVP of CWT Meetings and Events, says much of the growth could be attributed to economic recovery. He added that the development, particularly the rise in incentive travel, was the result of strategic planning, with corporate groups keen to maximise their return on investment and choose the right type of events for their organisation. Confidence is back, budgets are climbing and the ‘extras’ from the pre-recession days are back on the menu. But what has been the driving force behind the type of events they’ve chosen?

INCENTIVES

Like last year, around a quarter of event agents witnessed an increase in incentives, demonstrating that travel is still on the rise. According to Hannah Wilkinson, director of sales and business strategy at Zibrant, the focus for incentive planners has shifted to individually tailored programmes, which allow delegates more flexibility.

TEAMBUILDING

Employee engagement was crucial for corporate success in 2014, according to Charlie Hepburn, managing director at Vivid Event Group. “It’s vital that companies broadcast their brand internally as well as externally, and teambuilding, or employee engagement, plays a huge part in this,” he explains. “It’s not enough to do a motivational event any more and companies are really starting to place value on their individual employees.” He added that the success of teambuilding could be easily measured through technology and social media feedback, which contributed to its increased popularity.

TRAINING

As with all other aspects of event sector growth, training has become increasingly tailored to meet the needs of the client. Social media feedback and other technologies have enabled companies to customise their training products to their employees’ needs, delivering better overall programmes. For Wilkinson, improvements in training mean corporate clients will see a better return on investment. “For example, some of our petrochemical clients have seen a decrease in the number of health and safety incidents, as a result of their enhanced training,” she explains.

EXHIBITIONS

William Sutton, director of operations at Vista, said economic recovery and increased budgets had contributed to the success of exhibitions: “We’re definitely doing more in exhibitions and trade shows, both locally and internationally. I think clients are just getting out there more and promoting themselves.” His comments echoed the thoughts of Hepburn, who stressed that brand engagement was essential across all sectors of the event market, both internally and externally.
New products and attractive finance deals are fuelling consumer demand in the automotive sector, so it’s no surprise that agencies are also reaping the benefits, with many saying the sector continues to offer plenty of opportunity for growth. AddingValue says growth in the sector has also influenced the type of events it is organising, with a marked return to incentives.

“Incentives went on the backburner for a while, but now there’s confidence and the sector is also looking for a lot more investment in training their dealer networks,” says AddingValue’s managing director Tina Morris. “It’s all about the brand and experiential, whether that’s with a consumer involved or just directly with the channel or the dealer network.”

It’s a view shared by Giselle Ripken, director, meetings & events, at Grass Roots, who says there is “really good growth” in the sector as a result of a strong return of confidence. The agency is seeing the potential in what it calls ‘motivational meetings’, those with a strong business objective but which also include some kind of celebratory or incentive element. Banks Sadler, meanwhile, has carried out work recently for a client in the automotive sector, a sector that it has not traditionally been involved in.

**SECTORS OF GROWTH**

Mark Scales, head of events solutions at Banks Sadler, says the financial sector, too, “has got the budgets and the inclination”, and as a result, the agency is seeing increased demand for events in that arena. In his view, it is not so much growth in the sector, but more a return to normal levels experienced pre-recession.

Generally, agencies are sensing more confidence in the sector when it comes to events. Five per cent of those agencies surveyed said financial services was a new vertical sector, while
AddingValue’s Morris saying that the agency has a couple of financial services clients who have placed their faith back in incentives.

A desire for companies to better communicate products to staff and the marketplace is driving demand for events in the professional services sector, according to Grass Roots’ Ripken. “We’re seeing this with professional services, such as the legal and accountancy sectors, where companies need to do a lot more communication with their staff or around their products, or in relation to legal compliance.”

Financial adviser support group Tenet, for example, says it has increased its staff events to one per quarter, in line with new quarterly provider awards that the firm has introduced. This, says event manager Amanda Ford, has been done to raise more awareness and recognition of the award winners. The construction sector – one industry that agencies highlighted as a growth area last year, continues to show potential. Guy Horner, managing director at TBA, highlights the booming building industry in London as a driver for growth.

With technology growing at a fast pace, and a continual need for promotion of new products or brand-led activity it’s not surprising that the IT and telecoms sector is one that continues to flourish. And while some agencies are finding the pharma market under more pressure than most because of new restrictions, healthcare continues to be resilient, according to Luke Flett, head of sales and marketing at Ashfield Meetings & Events. Fresh Group, meanwhile, says it has recently won its first pharma client and expects to target more, while WRG Live says it is actively looking to grow its client base in this sector.

RETAIL ROLLERCOASTER
Prospects in the retail sector are dividing agencies, a reflection perhaps of the wider industry. Figures from the Office of National Statistics show that UK retail sales rose by 1.2% in April, yet analysts have warned that fierce competition on the high street means that retailers are struggling to increase the value of their sales. Some agencies have said there are retail sectors they are no longer looking to target, while others say the sector is more buoyant than others.

“We do quite a lot of work with supermarket brands and some are no longer giving us business when they used to give us quite a lot before,” says Tim Shepley, Bluehat Group chief executive. “However, other supermarket brands are giving us quite a bit more. It does vary. On balance, the ones that are doing well are investing more with us because perhaps they’re competing with online shopping and they have to improve the way in which they are efficient.”

The general return to business confidence is also prompting some agencies to look beyond their industry specialisms. Late last year, pharma-focused Ashfield Meetings & Events launched partner brand Spark Thinking, aimed at enhancing the agency’s existing offering with “edgier, more interesting and exploratory options”. Spark Thinking has since won clients such as technology giant Amadeus and Leeds Beckett University. ■
Exploring the global C&I marketplace

UK agencies are increasingly expanding to new marketplaces on other shores. We find out what is driving this trend and where the challenges lie for those prepared to make the commitment.

In the past year alone, agencies including Noble Events, Ashfield Meetings & Events, Imagination, Sledge, WRG, Banks Sadler, CWT Meetings & Events and The Appointment Group have expanded their presence overseas, in countries including the US, China, Dubai, France and Germany.

For Ashfield Meetings & Events, the decision to open an office overseas is very much based on client demand. "We start by reaffirming our existing clients' appetite for an office and look at the potential new business in the region," says Luke Flett, the agency’s head of global marketing. "We would look at buying behaviour and trends – are clients in the area procuring services locally, regionally or globally? We are currently seeing trends for our clients to procure at a regional level, bundling activity in North America, Latin America, EMEA and APAC regions."

There’s a similar motivation behind Banks Sadler’s global footprint. The agency announced the opening of a Shanghai office last year and CEO Leigh Jagger believes that the globalisation of business in general means that clients want a seamless product offering, consolidation of spend and service delivery across the world. “Having our own offices across the world allows us to provide a consistent message and product offering and that extra degree of comfort for clients,” says Jagger.

She adds that at present, the agency prefers to expand globally by opening its own offices, although, she says, “We have gone down the acquisition route previously with MPI [UK-based Medical Projects International in 2013] and we would not rule it out in the future.”

For CWT Meetings & Events, the route to overseas markets very much depends on where it is targeting. CWT recently acquired French corporate meetings and events agency Ormes. Ian Cummings, regional director Northern/Eastern Europe, says that generally the agency finds that with emerging or developing markets, a partnership can work well for a period of time, so both can see the opportunities together. “But when we look at more established markets where agencies may feel they have gone as far as they can then, acquisition can be preferable,” says Cummings.
ONE-OFF EVENTS
Sledge’s chief executive, Nic Cooper, believes that agencies are very much looking at tactical opportunities when it comes to global growth, such as a major one-off sporting event like the Olympics or World Cup. They can then withdraw back to their home territory, or build a permanent trading entity, he says, with the latter long-term option carrying significant planning, resource and capital expenditure.

Sledge currently has a trading entity in the US where it produces global events for, among others, a leading US-based financial institution. Additionally, it has a base in Dubai where it has been producing both local and global events for clients in the region.

In Brazil, Sledge has set up a tactical partnership with a local agency and suppliers to enable it to build on its success at the London Olympics with its clients. It has done this with support from UK Trade & Investment and participation in the Export Marketing Research Scheme, which helps and encourages UK companies to undertake overseas marketing research prior to developing a strategy for market entry or further investment in an overseas market.

The Appointment Group opened offices in Melbourne in 2013, Sydney a year later and Atlanta this year. Sam Robson, group events director, says the driving force behind the agency’s overseas growth strategy is a combination of factors. These include new business opportunities with both travel and event requirements, growing global demand from existing clients and a desire to strengthen the agency’s worldwide airline and hotel partnerships with increased turnover.

“"In a mature market, like the UK or US, starting from scratch can be a slow burn without some willing clients waiting in the wings,” she says. “Acquisition handled with care can create amazing results.”

OPPORTUNITIES OUTWEIGHT CHALLENGES
Economic stability and fluctuations in the financial markets present the biggest challenge to a global presence, according to WRG client director Ben Atherton, but the opportunities, he believes, far outweigh these issues. “In the US, healthcare is obviously a huge industry and the events and experiential market is booming over there,” he says. “In Hong Kong, we’re growing as the Eastern market embraces more and more eastern and western brands.

WRG has explored several routes to global expansion – opening new offices, forming partnerships and acquiring businesses. The most important factor within all of these, maintains Atherton, is building a single unified culture that “allows you to delight the client on a regular basis”.

TRO, which says it intends to expand its global operation in 2015 and beyond, says that each country situation and opportunity is assessed on a case-by-case basis. “However, we are careful to partner with agencies that have complementary cultures, and values, and who recognise and respect that we are each leaders in our respective markets and fields,” says TRO global CEO Keith O’Loughlin.

Meanwhile, a number of international agencies are also increasingly eyeing up the UK. This competition, says Sledge’s Cooper, is healthy and will only be perceived as a threat if agencies drop creativity standards and service levels. “The real threat if any, comes from client procurement policy where it may dictate having a global purchasing agreement in place, which could immediately discount local or independent agencies being awarded contracts,” he adds.
Responsible behaviour

Although events that incorporate a CSR or sustainable element are growing in popularity, C&IT’s State of the Industry Report shows that for most corporate groups, it hasn’t yet reached the top of the agenda.

More than half (59%) of corporate event planners surveyed said they don’t actively apply a CSR policy to their events, which, although down slightly from 61% in last year’s survey, shows a distinct apathy for sustainability where events are concerned.

In addition, when we asked agencies what percentage of their clients ask for sustainable or CSR elements, 17% said none of their clients ask for it and 24% said less than 5% ask for it. On the flip side, 15% of agencies said more than 40% of their clients were interested in sustainability – with some as high as 80 or 90% of clients asking. Last year, many argued that the economic crisis was behind client’s apathy for sustainability, because it pushed other challenges such as budget and perception to the top of the agenda. But now the economy is improving, and the events industry is growing, why are clients still failing to see the value of sustainability?

“Many clients, particularly FTSE 100 companies, have a strong focus on CSR within their organisation,” says Rick Stainton, managing director of Smyle. “But the focus for CSR or sustainability isn’t necessarily in the events sector.” However, he argues that while CSR elements shouldn’t dominate an events agenda, they should support it. “Corporates do want to be leaders in the industry and set an example,” he explains. “If you’re promoting sustainable services, this should be reflected across all areas of business.”

PUSHING THE AGENDA

Chetan Shah, head of operations at Black Tomato, says that while most clients don’t ask for a CSR element in their event briefs, it’s something that the agency always tries to include. “It doesn’t receive as much attention on the events side, because it’s often taken care of by other aspects of the business,” he explains. “But I think agencies are definitely pushing the CSR agenda and incorporating it into pitches.”

He added that for groups that choose to incorporate a CSR element, it can be the most memorable part of their event: “We had clients that built a new school climbing frame on a visit to India. In the morning they’d visited the Taj Mahal, but the school visit was all anyone wanted to talk about.”

These thoughts are echoed by Adam Goodman, owner of aca live, who has helped to arrange events for Colt Technology, a company that actively seeks a CSR element in its events. “It’s definitely something that’s gaining popularity. DMCs are generally very open to the idea and can help find meaningful projects that will make a real difference,” he explains.

For Colt Technology, finding the right CSR project for a short space of time requires extensive research. “Every year we run an ‘inner circle’ incentive programme for our top 50 performers. Wherever we go, it’s really important that we give something back to the community,” says Jason Sullivan, employee engagement and recognition manager at Colt Technology.

Recognising that time is limited, he suggests corporate groups focus on small, well-targeted projects. “Recently we took a group to Croatia. For the CSR aspect of the trip we crossed the border into Bosnia to do some work with a children’s football club.” To ensure they made the most of their afternoon there, the company had been working with the club during the lead-up, arranging donations and renovating the changing rooms. “When the group arrived, everything was ready for them to complete hands-on tasks, such as painting and clearing the grass area.”

Every year, the company dedicates half a day of its three- or four-night programme to a CSR activity, working closely with a local DMC to find a project that’s small-scale enough to make a difference in a few hours. “It often ends up being the highlight of the trip,” says Sullivan. “It’s quite an emotional experience and it really gets people talking to each other.”
Industry hotspots

London may be the first city on most organisers’ lips, but there are many destinations both in the UK and globally that demand attention

London remained the top UK destination for corporate and agency planners in 2014, but the cost of the capital means other destinations are benefitting from groups seeking more affordable options. London has remained top of the list for event planners in 2014, with 88% of agencies and 63% of corporate planners surveyed in the State of the Industry Report naming the capital as the UK destination they most used for events in 2014. “In the UK, about 90% of our events are held in London as that’s where the vast majority of our clients are based,” says Hayley Dove, events executive at Gorkana.

It has been an exciting 12 months for London, with a variety of major hotel and venue openings that kicked off with the unveiling of The Shard’s Shangri-La hotel in May 2014. Recent major openings that have got event planners talking included 20 Fenchurch Street’s Sky Garden, which welcomed event planners for the first time in January, and Leadenhall Building’s Level 42, now the highest dedicated event space in London.

The growth in popularity of areas such as Shoreditch and Soho has also contributed to the continued buzz around London. Lex Butler, creative director at Wolf & White, is an advocate for London locations outside of the more traditional options: “I personally love Shoreditch as a London destination for the ‘creative’ event. If my clients are looking for something wacky, I always start there.”

OUTSIDE THE CAPITAL

Popular destinations away from London included Birmingham and Manchester, with Liverpool also receiving a boost in popularity as a result of last June’s International Festival for Business. Both Cushman & Wakefield and Kellogg’s took their staff to Manchester recently, with the law firm celebrating its 10th anniversary on the cobbled streets of Coronation Street. Meanwhile, the cereal giant thanked 300 of its employees for 25 years of service with the company at the Imperial War Museum North.

Gorkana’s Dove says: “In the rest of the UK, we go to the big-city hubs as they are most accessible for the surrounding regions so make it easy for the highest possible number of our clients to attend our events, which are essential to our client retention

88%

of agencies said the UK city they most used for events in 2014 was London
strategy. These include Manchester, Bristol, Birmingham, Glasgow and Edinburgh. “Manchester really stands out for us as it’s so easily accessible for most of the North West, and has high-quality venues at reasonable rates with excellent service.”

Roxanne Gargett, venue consultant at drp, is also excited by what Manchester has to offer. “Manchester has had a lot of money pumped into it and there are a lot of new and exciting venues. It also has a lot of diversity and a range of budget, luxury and unique venues, including Hotel Football and Hotel Gotham.” Fellow drp venue consultant Jody Carvill reveals that the city has been a popular destination for the agency’s clients looking for options outside of London: “The draw of football attracts a lot of international delegates. Manchester is also extremely accessible and a lot more value for money.”

**IS LONDON’S CROWN SLIPPING?**

With budgets tightening and the exchange rate becoming more favourable, event planners looking for value for money are finding that travelling to European destinations can actually prove more cost-effective than London. “We’ve noticed clients wanting to do a lot more conferencing overseas, and the perception that England is very expensive and the euro being a lot cheaper is a cause of this,” argues Charlotte Wilson, managing director at Pure Events. “Doing events in Europe is becoming more appealing because companies’ business strategies are changing and clients are being more forward thinking, and therefore want to get global divisions together more.”

Drp’s Carvill says that other UK destinations have also benefitted from this. “The Midlands is far more flexible than London and, as a result, clients are more interested in this part of the country.” Carvill adds that the region’s easy accessibility, a variety of international convention centres and overall value for money are attracting clients.

**EUROPEAN FAVOURITES**

Outside of the UK, Europe remained a popular destination, with C&I heavyweights Paris, Berlin, Frankfurt and Barcelona all being used by corporates in the past 12 months. “We have held several events in Barcelona in recent years,” says Vicki Howe, events manager at Advent Software. “For our client conference in September last year, we used the Hotel Arts Barcelona. There is plenty to do and it caters for most tastes.”

Also popular in Europe among event planners was Copenhagen, which was recently selected as the host city for MPI’s next European Meetings & Events Conference (EMEC) in February 2016. “Copenhagen isn’t an European destination that people immediately think of, but it is very different and works on many levels,” says MCI UK project manager Katy Miller. Event agencies also highlighted a wide range of smaller European destinations, including Bruges, Bulgaria and Sardinia, as places their events will be heading to in 2015, reflecting the confidence clients are showing in locations away from the usual big hitters. Pure Events’ Wilson has seen growing demand for Croatia. “There is a selection of very good and decent-sized hotels, it’s spectacularly beautiful and there are a lot of different activities for groups to do.” Pizza Hut chose Croatia for a celebratory incentive trip in Dubrovnik, which was delivered by In2Events in April this year.

**BREAKING AMERICA**

In last year’s State of the Industry Report, the US was named as one of the destinations on the top of the hit list for 2014, and this year’s stats show it’s starting to take off. Some 8% of corporates named the States as the overseas destination they used the most in 2014, while another 7% specified New York as their most popular destination. Meanwhile, 15% of agencies named the US as their most popular destination, which included cities such as Miami, Boston, San Francisco and Las Vegas.

The Black Tomato Agency is one of the agencies that reported this. Chetan Shah, operations director, explains: “We’ve seen a lot of activity in the US in the past 18 months and as we’re getting more experience with the destination we’re becoming more likely to sell it.”

Miami has become extremely popular among the agency’s clients, delivering six incentive programmes in the destination in the past 18 months. However, Shah states that clients are becoming confident enough explore new parts of the country. “Lots of clients have done New York and Las Vegas before but new cities like Chicago and New Orleans are becoming more and more popular and are definitely up and coming.”

**EMERGING ASIA**

Singapore and Hong Kong are well established as C&I favourites in the Asia-Pacific region, but corporates are branching out from these more tried and tested options, with the likes of Vietnam, Thailand and Shanghai named as destinations they will use for the first time in 2015.

Chew Events has just confirmed a major conference in Vietnam and director Matthew Curran says the client was surprised by the destination’s capabilities. “As soon as we spoke to the hotels and DMCs in Vietnam, we realised that it ticked all the same boxes as any other big C&I destination,” he says. “We are delivering an event in Saigon, Ho Chi Minh, which is the more high-end and business-focused part of the country. It’s incredibly cheap, the service is five-star and depending on where delegates are coming from, it is easy to fly to.”

8% of corporate planners named the US as their top overseas destination in 2014.
The majority of venues surveyed say that overall, they have witnessed an increase in the number of events taking place to date, attributing this to the economic recovery and the resulting increase in business confidence, as well as the recent General Election.

Venues have also experienced an increase in bookings for busier periods of the year, with many saying they have already taken more Christmas bookings for 2015 compared with this time last year. Another trend is an increase in events focusing on staff development and training. Simon Hunter, head of value & brand at Chelsea Football Club, says there has been a notable growth in bookings with a shorter lead time, specifically for training and examination-style events.

Rachael Bartlett, head of sales and marketing at Warwick Conferences, believes this focus on training is a result of staff development becoming more of a priority for UK businesses. “Conferences and events are becoming larger in size and training programmes more frequent as businesses seek to strengthen their workforce,” she says. It’s a view shared by Johanne Holman, group director of sales and marketing at Exclusive Hotels and Venues, whose properties include luxury country hotels such as The Manor House and Pennyhill Park. She says the training element has influenced a growth in the number of corporate events and incentives, as companies look to reward their staff as well as train them.

Steve Sayer, commercial director at The O2, says the venue is seeing a trend for music to be incorporated into non-music events, with a recent example being Florence Welch performing at KPMG’s One Firm Event. Demands on the creative side are also on the increase. Diane Waldron, sales and marketing director at the QEII Centre, says the venue has to be more resourceful and creative with aspects such as designing alternative room set-ups, or tailoring catering to accommodate ‘walking meetings’, for example.

“Interestingly, we have found that while planners are being cautious about delegate numbers, we are still regularly seeing last-minute increases,” she adds. “Recently, one event we hosted saw numbers increase by 250 delegates on the morning of the event.”

ExCeL London has also seen an increase in ‘multi-contact’ events, which allow for a common message to be tailored to individual groups, all within one overall programme. For example, it says, one event can combine an internal staff briefing, an external client event, an experiential platform for buyers and a launch event for media.

“Planners are cautious about numbers, but we regularly see last-minute increases.”

Diane Waldron, sales and marketing director, QEII Centre
TAKING THE LEAD

For large events, venues agree that lead times are getting longer – with some being booked a year or so in advance – although the confirmation process is taking longer. ACC Liverpool, for example, says that multi-year deals are back on the agenda, with corporate clients prepared to commit to ensure they have their preferred dates. Kerrin MacPhie, director of sales, says that some recent large events have even been secured without a site visit.

Glasgow’s SECC, meanwhile, has experienced a continuation of “a more intelligent and strategic approach to the procurement of large meetings, resulting in the venue bidding, hopefully winning, and then planning on a longer timeline’.

ICC Birmingham says while lead times vary by sector and some clients are leaving it late, others are booking up well in advance to secure their preferred dates.

For hospitality groups that include hotels, short lead times continue to be an issue. Exclusive Hotels and Venues maintains that lead times ‘couldn’t get much shorter’, with only a little lightening up on these, while Edwardian Group London, with a portfolio including the Radisson Blu Edwardian brand, says a proportion [of events] come in with less than a month’s notice, resulting in tight turnaround times.

“Due to the commonplace nature of bookings with short lead times, there is often a lot of pressure to process enquiries in a tight time frame,” says Carlo Boersma, head of MICE relations at Edwardian Group London.

The General Election may also have played a part with regards to shorter leader times. Chelsea Football Club, for example, says clients held off booking events until after the election, but it is now seeing longer lead times back in evidence for the remainder of the year.

COST-CONSCIOUS

Some venues report that they are still being squeezed on costs, with the role of procurement staff here to stay. As a result, they are rethinking the packages they offer. Chris Zachar, head of corporate sales and head of Silverstone International at Silverstone Circuits, says that as a premium facility with a huge amount of versatility, many agencies and corporates assume the venue is an expensive option.

“Historically, we have not always been as flexible as we could be when looking at opportunities,” he says. “However, we have reviewed how we cost in response to the needs of a particular brief. As a result, we now have a range of DDRs. We are also considering the tenancy of the event, and the overall value when looking at room hires, with a sliding scale in place, reflecting both set-up and live event.”

ICC Birmingham also says it has been looking at its packages to ensure it remains competitive, introducing new pricing options such as ‘risk sharing’ to help clients with their upfront commitment, while London’s QEII Centre launched DDR packages last year in response to the demands of its clients’ budgets.

Sarah McQueen, sales and marketing manager at Searcys The Gherkin, says the venue is being challenged to justify every cost quoted, but believes this is positive for the business. “Since the recession, people have to be very wary of where they are spending their money and all companies need to be able to be held accountable of the final spend,” she says.

Others believe that while cost is still an important, it is now just one of the key factors in the event-planning process, as opposed to being the single most important one. “The quality of venue technology, refreshments and lunch catering, familiar venue staff and location are all key considerations when making a decision,” says 30 Euston Square’s Val MacDonald. The venue now offers a corporate membership scheme to bookers who hold a number of events a year and would like to keep the costs down.

FUTURE TRENDS

Technology is expected to play a bigger part in future trends among venues, with some having already invested, or expecting to invest in, technology in the coming months, including features such as Apple TV, interactive social media, live web links and streaming and projection mapping. Many venues say they are also seeing interesting breakthroughs in delegate management systems, locator functions and beacon technology.

On the CSR side, ExCeL London says it is seeing a return to organisers being more environmentally aware and building some of their organisation around the venue’s CSR capabilities. “The science behind food and beverage provision is becoming more important to event planners, in particular conference organisers, and we are evolving our provision to meet these changing needs,” says Lucy Merritt, marketing manager at ExCeL London.
So, what of the future?

The UK events sector is on an upward growth curve that looks set to continue into 2016 and beyond, according to key agencies and clients

With 81% of event agencies predicting financial growth in 2015, the outlook for the remainder of this year looks positively rosy. But will that growth continue in 2016 and beyond? The good news is that the majority of event professionals C&IT spoke to are predicting that 2016 will be bigger and better than 2015, with concerns around the General Election having passed, coupled with an improving economy, giving businesses security and time and resources to invest.

STRONG MARKETPLACE
Research such as the IPA Bellwether Report show that event marketing spend is on the rise, and a confidence in the value of the events sector is returning, something that event planners agreed with.

Luke Flett, head of marketing at Ashfield Meetings and Events, says: “In general the event marketplace seems to be confident of what lies ahead in 2016. Marketing spend is on the rise according to the Bellwether Report, various sectors and industries are growing and clients are starting to show signs of planning further in advance. On top of this we have seen a rise in reward and recognition and internal employee engagement programmes we are receiving.”

Most agencies are reporting that bookings for 2016 are either up or on par with bookings taken at the same time last year for 2015, and confirmed that a number of clients are agreeing to longer-term contracts further in advance. Nick Terry, chief executive at Top Banana, says: “We have more events slated for 2016 than this time last year and we are having more conversations about 2016 than this time last year.”

Dale Parmenter, group chief executive at drp, adds: “We probably have more clients looking at 2016 than ever before, and what we’re finding with several of our larger clients is that they’re starting to share the long-term process and strategic plans for their events, which is great. It allows us to work more closely with them and we’re able to see what needs to be done next and where we can be more efficient for them.”

POTENTIAL ISSUES
While the majority of planners are optimistic, they are all too aware of potential threats on the periphery, not least the promised EU referendum and uncertainty about the Eurozone, both of which could impact on the sector.

Giselle Ripken, director of meetings and events at Grass Roots, says: “2015 was an election year and there’s still a bit of nervousness around Europe and Greece, so it’s steady. But I think if we can really continue to steadily grow and be business confident, and not withstanding anything awful in the marketplace, then 2016 will be firm. But the issues around Greece and the EU vote will cause some market nervousness for some industries.”

Flett adds: “Indications point to a positive 2016 event marketplace, but as ever we remain cautious in our approach and keep an eye on all external influences that can impact our industry and our clients’ event activity. Perhaps a better phrase would be cautiously optimistic.”

WHAT NEXT?
Planners are predicting that employee engagement events will be on the rise in 2016, and are also looking to new technology to improve the content of events and get the message across in the most effective way possible.

Clare Moses, head of events, personal and corporate banking at Barclays, says: “We are continuing to see a comeback for internal employee engagements events. We’ve had overwhelming feedback from delegates that have attended these events, and stakeholders are saying that it has made a huge difference. They’re seeing a real benefit in terms of building their global network, and sharing best practice and problem solving. The next challenge is how technology can help allow the content to live on after the events so we can reach the largest possible relevant audience outside, as well as inside, the room.”